UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K
(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2017

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from____ to ____

Commission File Number. 001-32876

WYNDHAM WORLDWIDE CORPORATION
(Exact name of Registrant as Specified in Its Charter)

DELAWARE	**20-0052541**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
22 SYLVAN WAY	**07054**
PARSIPPANY, NEW JERSEY	(Zip Code)
(Address of Principal Executive Offices)	

(973) 753-6000
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Name of each exchange on which registered
Common Stock, Par Value $0.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes ☐ No ☐

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of June 30, 2017, was $10,172,714,424. All executive officers and directors of the registrant have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

As of January 31, 2018, the registrant had outstanding 99,723,476 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement prepared for the 2018 Annual Meeting of Shareholders are incorporated by reference into Part III of this report .

TABLE OF CONTENTS

		Page
	PART I	
Item 1.	Business	2
Item 1A.	Risk Factors	22
Item 1B.	Unresolved Staff Comments	33
Item 2.	Properties	33
Item 3.	Legal Proceedings	33
Item 4.	Mine Safety Disclosures	33
	PART II	
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	34
Item 6.	Selected Financial Data	36
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	39
Item 7A.	Quantitative and Qualitative Disclosures about Market Risk	65
Item 8.	Financial Statements and Supplementary Data	66
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	66
Item 9A.	Controls and Procedures	66
Item 9B.	Other Information	66
	PART III	
Item 10.	Directors, Executive Officers and Corporate Governance	67
Item 11.	Executive Compensation	68
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	68
Item 13.	Certain Relationships and Related Transactions, and Director Independence	68
Item 14.	Principal Accounting Fees and Services	68
	PART IV	
Item 15.	Exhibits and Financial Statement Schedules	69
	Signatures	70

PART I

Forward Looking Statements

This report includes “forward-looking” statements, as that term is defined by the Securities and Exchange Commission (“SEC”) in its rules, regulations and releases. Forward-looking statements are any statements other than statements of historical fact including statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the future. In some cases forward-looking statements can be identified by the use of words such as “may,” “expects,” “should,” “believes,” “plans,” “anticipates,” “estimates,” “predicts,” “potential,” “continue” or other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in or implied by the forward-looking statements. Factors that might cause such a difference include but are not limited to general economic conditions, our financial and business prospects, our capital requirements, our financing prospects, our relationships with associates and those disclosed as risks under “Risk Factors” in Part I, Item 1A of this report. We caution readers that any such statements are based on currently available operational, financial and competitive information and they should not place undue reliance on these forward-looking statements, which reflect management’s opinion only as of the date on which they were made. Except as required by law, we disclaim any obligation to review or update these forward-looking statements to reflect events or circumstances as they occur.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements, reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and other information with the SEC. Our SEC filings are available free of charge to the public over the Internet at the SEC’s website at http://www.sec.gov. Our SEC filings are also available on our website at http://www.WyndhamWorldwide.com as soon as reasonably practicable after they are filed with or furnished to the SEC. You may also read and copy any filed document at the SEC’s public reference room in Washington, D.C. at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about public reference rooms.

We maintain an internet site athttp://www.WyndhamWorldwide.com. Our website and the information contained on or connected to that site are not incorporated into this Annual Report.

ITEM 1. BUSINESS

OVERVIEW

Wyndham Worldwide

We are one of the world’s largest hospitality companies, offering travelers a wide range of hospitality services and products through our global portfolio of world-renowned brands. The hospitality industry is a major component of the travel industry, which is one of the largest retail industry segments of the global economy. Our portfolio of brands has a significant presence in many major hospitality markets in the United States and throughout the world and are uniquely positioned to provide travelers access to a large assortment of travel accommodations and destinations. Our brands include: Wyndham Hotels and Resorts, Ramada, Days Inn, Super 8, Howard Johnson, Wingate by Wyndham, Microtel Inns & Suites by Wyndham, TRYP by Wyndham, Dolce Hotels and Resorts, RCI, Wyndham Vacation Rentals, Wyndham Vacation Resorts, Shell Vacations Club and WorldMark by Wyndham.

During the third quarter of 2017, we decided to explore strategic alternatives for our European vacation rentals business, which was previously part of our Wyndham Destination Network segment, and in the fourth quarter of 2017, we commenced activities to facilitate the sale of this business. As a result, for all periods presented, we have classified the results of operations for our European vacation rentals business as discontinued operations in the Consolidated Statements of Income and classified the related assets and liabilities associated with this business as held for sale in the Consolidated Balance Sheets. All results and information presented exclude our European vacation rentals business unless otherwise noted (see Note 3 - Discontinued Operations in the Notes to Consolidated Financial Statements).

On February 15, 2018, we entered into an agreement for the sale of our European vacation rentals business for approximately $1.3 billion. In conjunction with the sale, the European vacation rentals business will also enter into a 20-year agreement under which it will pay a royalty fee of 1% of net revenue to Wyndham’s hotel business for the right to use the by “Wyndham Vacation Rentals” endorser brand. In addition, the European vacation rentals business will also participate as a redemption partner in the Wyndham Rewards loyalty program. We have also agreed to provide certain post-closing credit support in order to ensure that the buyer meets the requirements of certain service providers and regulatory authorities. The agreement is subject to certain closing conditions and regulatory approval and is expected to be completed in the second quarter of 2018.

Our continuing operations are grouped into three segments: Hotel Group, Destination Network and Vacation Ownership.

- ***Wyndham Hotel Group*** is the world's largest hotel company based on the number of properties, with 8,422 affiliated hotels and over 728,000 hotel rooms worldwide. We franchise in the upscale, upper midscale, midscale, economy and extended stay segments with a concentration in economy brands. We also provide property management services for full-service and select limited-service hotels. This is predominantly a fee-for-service business that produces recurring revenue streams with steady cash flow and low capital investment requirements.

- ***Wyndham Destination Network*** operates the world's largest vacation exchange network, with approximately 3.9 million members, and is a leading provider of professionally managed vacation rentals in North America. Our vacation exchange business has relationships with over 4,300 vacation ownership resorts located in 110 countries and territories, and our vacation rentals business offers North American-based rental properties in nearly 50 destinations. This is primarily a fee-for-service business that provides stable revenue streams and produces strong cash flow.

- ***Wyndham Vacation Ownership*** is the world's largest timeshare (also known as vacation ownership) business based on the number of resorts, units, owners and revenues, with 221 resorts and over 878,000 owners. We develop and market Vacation Ownership Interests ("VOIs") to individual consumers, provide consumer financing in connection with the sale of VOIs and provide property management services at resorts.

Our business segments generate a diversified revenue stream and high free cash flow. Approximately 57% of our revenues are generated from our fee-for-service businesses. We derive our fee revenues principally from (i) franchise fees received from hotels for use of our brand names and providing marketing and reservation activities, (ii) providing property management services to hotels and vacation ownership resorts, (iii) providing vacation exchange and rentals services and (iv) providing services under our Wyndham Asset Affiliation Model ("WAAM") in our timeshare business. The remainder of our revenue comes primarily from the sale of VOIs and related financing.

Our European vacation rentals business, which is classified as a discontinued operation, offers guests access to over 110,000 vacation rentals properties, including cottages, city apartments, holiday park lodges, bungalows, holiday camping sites and boats located in more than 30 countries primarily in Europe, as well as other parts of the world. We primarily market vacation rentals properties that are owned by third parties.

How we create value for our shareholders

Our mission is to increase shareholder value by offering the widest ranges of places to stay thereby allowing customers to experience travel the way they want. Our collective brands provide travelers with more than 129,000 places to stay in over 110 countries and territories on six continents. Our strategies to achieve these objectives are to:

- **Strategically allocate capital to expand our fee-for-service business models;**
- **Increase cash flow and profitability through superior execution;**
- **Develop innovative services and products to meet the evolving needs of customers; and**
- **Further develop our world-class capabilities by strengthening our brands, attracting and developing the best talent and investing in technology.**

We provide value-added services and products and also support and promote green and diversity initiatives to enhance the travel experience of the individual consumer and to drive revenues to our business customers.

In 2017, we announced our intent to spin-off our hotel business, which will result in our operations being held by two separate, publicly-traded companies. The two public companies intend to enter into long-term exclusive license agreements to retain their affiliation with one of the industry's top-rated loyalty programs, Wyndham Rewards, as well as to continue to collaborate on inventory-sharing and customer cross-sell initiatives. The transaction is expected to result in enhanced strategic and management focus on the core business and growth of each company; more efficient capital allocation, direct access to capital and expanded growth opportunities for each company; the ability to implement a tailored approach to recruiting and retaining employees at each company; improved investor understanding of the business strategy and operating results of each company; and enhanced investor choice by offering investment opportunities in separate entities. The transaction will be effected through a pro rata distribution of the new hotel company's stock to our shareholders and is expected to be completed in the second quarter of 2018.

All of our businesses have both domestic and international operations. During 2017, we derived 87% of our revenues in the United States and 13% internationally (approximately 1% in Europe and 12% in all other international regions). For a discussion of our segment revenues, profits, assets and geographical operations, see Note 22 - Segment Information to the Consolidated Financial Statements included in this Annual Report.

History and Development

Our corporate history can be traced back to the formation of Hospitality Franchise Systems ("HFS") in 1990. HFS initially began as a hotel franchisor that later expanded to include the addition of the vacation exchange business. In December 1997, HFS merged with CUC International, Inc. to form Cendant Corporation, which then further expanded with the addition of the vacation rentals and vacation ownership businesses. On July 31, 2006, Cendant distributed all of the shares of its subsidiary, Wyndham Worldwide Corporation ("Wyndham" or the "Company"), to the holders of Cendant common stock issued and outstanding as of July 21, 2006 (the record date for the distribution). The separation was effective on July 31, 2006. On August 1, 2006, we commenced "regular way" trading on the New York Stock Exchange under the symbol "WYN".

We have many widely recognized and well-established brands. Our Howard Johnson and Ramada brands opened their first hotels in 1954. RCI, our vacation exchange business, was established in 1974. Our vacation ownership brands began operations in 1978 with Shell Vacations Club, followed by Wyndham Vacation Resorts (formerly known as Fairfield Resorts) in 1980 and WorldMark by Wyndham (formerly known as Trendwest Resorts) in 1989.

Our portfolio of well-known hospitality brands was assembled over the past twenty-eight years. The following is a timeline of some of our acquisitions:

1990	1992	1993	1996
Howard Johnson	Days Inn	Super 8	Resort Condominiums International (RCI)
Ramada (United States)			Travelodge North America
2001	**2002**	**2004**	**2005**
Wyndham Vacation Resorts	WorldMark by Wyndham	Ramada International	Wyndham Hotels and Resorts
2006	**2008**	**2010**	**2011**
Baymont Inn and Suites	Microtel Inns and Suites by Wyndham	ResortQuest	The Resort Company
	Hawthorn Suites by Wyndham	TRYP by Wyndham	Bahama Bay/Caribe Cove
2012	**2013**	**2014**	**2015**
Shell Vacations Club	Midtown 45, NYC Property	Raintree Vacation Club (5 Properties)	Dolce Hotels and Resorts
Wyndham Grand Rio Mar Hotel		Shoal Bay Resort	Vacation Palm Springs
Oceana Resorts		Hatteras Realty, Inc.	Sea Pearl Resorts
Smoky Mountain Property Management			ResortQuest Whistler
2016	**2017**		
Fen Hotels	AmericInn		
	Love Home Swap		
	DAE Global Pty Ltd		

BUSINESS DESCRIPTIONS

The following is a description of each of our three business segments, Wyndham Hotel Group, Wyndham Destination Network and Wyndham Vacation Ownership, and the industries in which they compete.

WYNDHAM HOTEL GROUP

Hotel Industry

Regions

The global hotel industry consists of approximately 178,000 hotels with combined annual revenues of approximately $479 billion. This represents over 16.3 million rooms, of which approximately 54% are affiliated with a brand. The industry is geographically concentrated with the top 20 countries accounting for over 84% of total rooms.

The regional distribution of the hotel industry consists of the following (according to Smith Travel Research Global ("STR")):

Region	Hotels	Room Supply (millions)	Revenues (billions)	Brand Affiliation
United States/Canada	60,990	5.6	$ 157	70%
Europe	68,329	4.7	156	40%
Asia Pacific	35,551	4.6	120	53%
Latin America/Middle East	13,354	1.5	46	45%

Business Models

Companies in the hotel industry operate primarily under one of the following business models:

- **Franchise** - Under the franchise model, a company typically grants the use of a brand name to a hotel owner in exchange for royalty fees that are typically a percentage of room sales. Since the royalty fees are a recurring revenue

stream and the cost structure is relatively low, the franchise model yields high margins and steady, predictable cash flows. As of December 31, 2017, we had 8,304 franchised properties in our hotel portfolio.

- **Management** - Under the management model, a company provides professional oversight and comprehensive operations support to hotel owners in exchange for base management fees that are typically a percentage of hotel revenue. A company can also earn incentive management fees which are tied to the financial performance of the hotel. As of December 31, 2017, we had 116 managed properties in our hotel portfolio.

- **Ownership** - Under the ownership model, a company owns hotels and bears all financial risks and rewards relating to the hotel, including appreciation and depreciation in the value of the property. As of December 31, 2017, we had two owned hotels in our portfolio.

Operating Statistics

Performance in the hotel industry is measured by the following key operating statistics:

- **Average daily rate, or ADR** - ADR is defined as total revenue divided by the number of room nights sold. It represents the average price of a room at a hotel or group of hotels.

- **Average occupancy** - Occupancy is the number of room nights sold divided by the total number of rooms. Average occupancy allows us to gauge demand.

- **Revenue per available room, or RevPAR** - RevPAR is calculated by multiplying ADR by the average occupancy rate; it is the average price of a room multiplied by the percentage of rooms occupied. RevPAR is the primary metric used by our management to track the performance of our hotels, and it allows us to compare performance across regions, segments and brands.

- **System growth** - System growth is derived from the number of gross rooms opened less rooms terminated during the year. System growth provides a measure for the number of rooms added to our portfolio.

The United States is the largest country in the global lodging market with approximately 33% of global room revenues. The following table displays trends in the key revenue metrics for the U.S. lodging industry over the last six years:

Year	Occupancy	ADR	RevPAR (*)
2012	61.4%	106.05	65.13
2013	62.3%	110.03	68.51
2014	64.4%	115.14	74.12
2015	65.4%	120.30	78.68
2016	65.5%	123.97	81.19
2017	65.9%	126.72	83.57

(*) RevPAR may not recalculate by multiplying occupancy by ADR due to rounding.
Sources: STR (2012-2017), PricewaterhouseCoopers (“PwC”) (2017).

The U.S. lodging industry experienced positive RevPAR performance over the prior year primarily resulting from higher ADR and an increase in U.S. occupancy of 0.6% to 65.9% in 2017. During 2017, ADR grew 2.2% to $126.72. As a result of the ADR gain, the U.S. lodging industry experienced RevPAR growth of 2.9% in 2017.

Segment Descriptions

Performance in the U.S. lodging industry is evaluated based upon chain scale segments, which are generally defined as follows:

- **Luxury** - typically offers first-class accommodations and an extensive range of on-property amenities and services, including restaurants, spas, recreational facilities, business centers, concierges, room service and local transportation (shuttle service to airport and/or local attractions). ADR is normally greater than $210 for hotels in this category.

- **Upper Upscale** - typically offers a full range of on-property amenities and services, including restaurants, spas, recreational facilities, business centers, concierges, room service and local transportation (shuttle service to airport and/or local attractions). ADR normally falls in the range of $145 to $210 for hotels in this category.

- **Upscale** - typically offers a full range of on-property amenities and services, including restaurants, spas, recreational facilities, business centers, concierges, room service and local transportation (shuttle service to airport and/or local attractions). ADR normally falls in the range of $110 to $145 for hotels in this category.

- **Upper Midscale** - typically offers restaurants, vending, selected business services, partial recreational facilities (either a pool or fitness equipment) and limited transportation (airport shuttle). ADR normally falls in the range of $90 to $110 for hotels in this category.

- **Midscale** - typically offers limited breakfast, selected business services, limited recreational facilities (either a pool or fitness equipment) and limited transportation (airport shuttle). ADR normally falls in the range of $65 to $90 for hotels in this category.

- **Economy** - typically offers basic amenities and a limited breakfast. ADR is normally less than $65 for hotels in this category.

Wyndham Hotel Group Overview

Wyndham Hotel Group is the world's largest hotel franchisor based on number of properties, with 8,422 franchised hotels and over 728,000 hotel rooms worldwide, and is a leader in the economy segment. Our franchise business is easily adaptable to changing economic environments due to low operating cost structures. This, in combination with recurring fee streams, yields high margins and predictable cash flows. Ongoing capital requirements are relatively low and mostly limited to technology expenditures which support core capabilities. We may employ key money incentives and other forms of financial support to generate new business and to assist franchisees and hotel owners in converting to one of our brands or building new hotels under a Wyndham Hotel Group brand.

Our owned hotel portfolio currently consists of the Wyndham Grand Rio Mar Beach Resort and Spa in Puerto Rico ("Rio Mar hotel") and the Wyndham Grand Orlando Bonnet Creek ("Bonnet Creek hotel"). Both hotels represent mixed-use opportunities which allow us to introduce our hotel guests to the vacation ownership product.

The following table provides operating statistics for each brand in our system as of and for the year endedDecember 31, 2017:

			Rooms					
Brand	Primary Segment [a]	Total Hotels	Total	North America [b]	Latin America	EMEA	Asia/Pacific	RevPAR
Super 8	Economy	2,867	178,690	105,187	350	627	72,526	$27.73
Days Inn	Economy	1,773	142,460	121,371	387	3,811	16,891	35.77
RAMADA WORLDWIDE	Midscale	850	118,875	51,165	4,499	26,400	36,811	38.94
WYNDHAM HOTELS AND RESORTS	Upscale	267	58,499	26,395	10,294	7,450	14,360	60.26
Howard Johnson	Economy	356	42,250	19,480	2,756	243	19,771	31.45
BAYMONT INN & SUITES	Midscale	483	38,301	38,183	118	—	—	38.20

Travelodge	Economy	436	31,615	31,615	—	—	—	37.80
Microtel Inn & Suites by Wyndham	Economy	337	24,420	22,868	595	—	957	41.24
Knights Inn	Economy	362	22,006	22,006	—	—	—	23.67
TRYP by Wyndham	Upper Midscale	118	17,131	614	2,873	13,233	411	55.49
Wingate by Wyndham	Midscale	154	14,104	13,928	176	—	—	56.37
Hawthorn Suites by Wyndham	Midscale	110	10,690	9,986	—	704	—	54.52
AmericInn	Midscale	202	11,877	11,877	—	—	—	43.71
Trademark Hotel Collection	Upper Upscale	64	10,429	1,827	—	8,602	—	68.02
Dolce Hotels and Resorts	Upper Upscale	20	4,621	3,421	—	1,200	—	84.37
Dazzler Hoteles	Upper Midscale	13	1,621	—	1,621	—	—	63.95
Esplendor Hoteles Boutique	Upper Midscale	10	606	—	606	—	—	56.76
Total		8,422	728,195	479,923	24,275	62,270	161,727	$ 37.63

(a) This reflects the primary chain scale segments served using the STR Global definition and method as of December 31, 2017. STR Global is U.S.-centric and categorizes a hotel chain, or brand, based on ADR in the United States. We utilized these chain scale segments to classify our brands both in the United States and internationally.

(b) Comprised of United States, Canada and Puerto Rico.

The following table depicts our geographic distribution and key operating statistics by region:

Region	# of Properties	# of Rooms	Occupancy	ADR	RevPAR [(a)]
United States [(b)]	5,726	440,132	53.4%	$ 76.86	$ 41.04
Canada	509	39,791	52.6%	82.60	43.41
Europe/Middle East/Africa	433	62,270	64.7%	76.36	49.38
Asia/Pacific [(c)]	1,556	161,727	57.3%	38.71	22.17
Latin America	198	24,275	53.3%	69.33	36.96
Total	8,422	728,195	55.1%	68.24	37.63

(a) RevPAR may not recalculate by multiplying occupancy by ADR due to rounding.

(b) Includes properties located in Puerto Rico.
(c) China represents 90% of the total region with the majority of our hotels in China being under master franchise agreements.

The number of hotel group properties and rooms in operation by primary chain scale segment is as follows:

	As of December 31,					
	2017		2016		2015	
	Properties	Rooms	Properties	Rooms	Properties	Rooms
Economy	6,131	441,441	6,069	439,887	5,941	431,885
Midscale	1,799	193,847	1,562	180,085	1,502	174,753
Upper Midscale	205	29,787	136	18,541	121	17,355
Upscale	267	58,499	247	54,143	225	48,753
Upper Upscale	20	4,621	21	4,951	23	5,296
Total	8,422	728,195	8,035	697,607	7,812	678,042

These chain scale segments are utilized to classify our brands in the North America region. For illustrative purposes, we also reflected our international properties and rooms under these categories.

The number of hotel group properties and rooms changed as follows:

	As of December 31,					
	2017		2016		2015	
	Properties	Rooms	Properties	Rooms	Properties	Rooms
Beginning balance	8,035	697,607	7,812	678,042	7,645	660,826
Additions (*)	886	80,875	664	62,401	643	65,807
Terminations	(499)	(50,287)	(441)	(42,836)	(476)	(48,591)
Ending balance	8,422	728,195	8,035	697,607	7,812	678,042

(*) During 2017, 61% of our room additions were conversions. Acquisitions accounted for 11,877 and 2,171 room additions during 2017 and 2016, respectively.

In our franchising business, we seek to generate revenues for our hotel owners through our strong, well-known brands and the delivery of services such as marketing, information technology, revenue management, training, operations support, strategic sourcing and guest services.

Revenues

The sources of our revenues from franchising hotels include (i) ongoing franchise fees, which are comprised of royalty, marketing and reservation fees, (ii) initial franchise fees which relate to services provided to assist a franchised hotel to open for business under one of our brands and (iii) other service fees. Royalty fees are intended to cover the use of our trademarks. Marketing and reservation fees are intended to reimburse us for expenses associated with operating reservations systems, e-commerce channels including our brand.com websites and access to third-party distribution channels, such as online travel agents ("OTAs"), advertising and marketing programs, global sales efforts, operations support, training and other related services. Other service fees include fees derived from providing ancillary services and are generally intended to reimburse us for direct expenses associated with providing these services.

Our management business offers hotel owners the benefits of a global brand and a full range of management, marketing and reservation services. In addition to the standard franchise services, our hotel management business provides hotel owners with professional oversight and comprehensive operations support, including hiring, training and supervising the hotel managers and employees, annual budget preparation, local sales and marketing efforts, financial analysis, and food and beverage services. Revenues earned from our management business include management and service fees. Management fees are comprised of (i) base fees, which are typically a specified percentage of gross revenues from hotel operations, and (ii) incentive fees, which are typically a specified percentage of a hotel's gross operating profit. Service fees include fees derived from accounting, design, construction and purchasing services and technical assistance provided to managed hotels. We also recognize as revenue, fees related to reimbursable payroll costs for operational employees who work at some of our managed hotels. Although these costs are funded by hotel owners, accounting guidance requires us to report these fees on a gross basis as both revenues and expenses. As such, there is no effect on our operating income.

Our ownership portfolio is limited to two hotels in locations where we have developed timeshare units. Revenues earned from our owned hotels are comprised of (i) gross room nights, (ii) food and beverage services, and (iii) on-site spa, casino, golf and shop revenues. We are responsible for all operations and recognize all revenues and expenses associated with the hotels.

We also earn marketing fees from the Wyndham Rewards loyalty program when a member stays at a participating hotel. Revenues are derived from a fee we charge based upon a percentage of room revenues generated from such member stays. These fees reimburse us for expenses associated with member redemptions and the overall administration and marketing of the program. In addition, we earn revenue from our co-branded Wyndham Rewards credit card program which is primarily generated by cardholder spending activity and the enrollment of new cardholders. This program is designed to further incentivize loyalty to our brands.

Reservation Booking Channels

A majority of our economy and midscale hotels are located on highway roadsides for convenience of travelers; therefore, a significant portion of room nights sold are on a walk-in or direct-to-hotel basis. We believe their choice of hotel is influenced by the reputation and general recognition of our brand names.

Another significant component of our value proposition to a hotel owner is access to our reservation booking channels, which we also refer to as our distribution platform. These channels include: our proprietary brand web and mobile sites; our mobile apps; our call center facilities; our Wyndham Rewards loyalty program; our global sales team; global distribution partners such as Sabre and Amadeus; and OTAs and other third-party internet referral or booking sources, such as Kayak, TripAdvisor and Google. Over half of our reservation delivery comes from online sources, including our proprietary and mobile websites.

For guests who choose to book their hotel stay in advance through our distribution platform, we booked over $4 billion in room revenue on behalf of hotels within our system (including bookings under our global sales agreements). This represents 50% of total room revenues at these hotels, compared to 48% during 2016.

A key strategy for reservation delivery is the continual investment in our e-commerce capabilities (websites, mobile and other online channels), as well as the deployment of advertising spend to drive online traffic to our proprietary e-commerce channels. This strategy also encompasses marketing agreements we have with travel related search websites and affiliate networks, and other initiatives to drive business directly to our online channels. In addition, to ensure our franchisees receive bookings from OTAs and other third-party internet sources, we provide direct connections between our central reservations systems and strategic third-party internet booking sources. These direct connections allow us to deliver more accurate and consistent rates and inventory rooms, send bookings directly to our central reservation systems without interference or delay and reduce our franchisee distribution costs.

As part of our strategy to bring industry-leading technology to our hotel owners, we are currently migrating our multiple reservations systems to Sabre Corporation's SynXis Central Reservations solution. This web-based solution provides our hotel owners with distribution of rates and inventory through online and offline distribution channels; connectivity to global distribution systems, online travel agents, website and mobile booking engines; and seamless integration of property, revenue management, loyalty and content systems, providing holistic views of hotel guests and revenue. As of December 31, 2017, eleven of our twenty hotel brands have migrated to SynXis Central Reservations. The remainder of our portfolio is expected to migrate in 2018.

Property Services

Our worldwide teams of industry veterans continually collaborate with franchisees on all aspects of their operations, and create detailed and individualized strategies for success. We are able to make meaningful contributions to hotel operations, which result in higher revenues for our hotel owners by providing key services including system integration, operations support, training, strategic sourcing, and development planning and construction.

Loyalty Program

Building a robust loyalty program is critical to delivering our value proposition to our hotel owners. In May 2015, we launched a newly redesigned Wyndham Rewards program offering members a more generous points earning structure along with a flat, free-night redemption rate, the first of its kind for a major rewards program.

The Wyndham Rewards program was introduced in 2003 and has grown steadily since its inception. The diversity of our brands and significant footprint uniquely enables us to meet our members' leisure and business travel needs across a variety of locations, and a wide range of price points. Wyndham Rewards members stay at our brands more frequently and drive incremental room nights, higher ADR and a longer length of stay than non-members.

Wyndham Rewards is the largest lodging loyalty program as measured by number of participating hotels in the lodging industry. Members earn points by staying in one of our participating branded hotels or by purchasing everyday services and products using a co-branded Wyndham Rewards credit card. Points may be redeemed for a variety of reward options, including airline travel, resort vacations, event tickets, gift certificates for leading retailers and restaurants, and more. Members can also redeem points ("go free") or a combination of points plus cash ("go fast") for free-night hotel stays. During 2016, we introduced four distinct member levels to the Wyndham Rewards program (Blue, Gold, Platinum and Diamond) that provide members with additional benefits that increase by level. During 2017, 86% of all points redeemed were for go free and go fast awards, demonstrating the impact of the program in driving additional stays to our hotel owners. As part of our "Blue Thread" initiative, we expanded our global Rewards program during 2016 by allowing points to be redeemed at over 20,000 Wyndham Vacation Ownership resorts and Wyndham Destination Network properties.

Marketing, Sales and Revenue Management Services

Our brand and field marketing teams develop and implement global marketing strategies for each of our hotel brands. While brand positioning and strategy are generated from our U.S. headquarters, we have seasoned marketing professionals positioned around the globe to modify and implement these strategies on a local market level. Our marketing efforts communicate the unique value proposition of each of our individual brands, and are designed to build consumer awareness and drive business to our hotels, either directly or through our own reservation channels.

We deploy a variety of marketing strategies and tactics depending on the needs of the specific brand and local market, including online advertising, social media marketing, traditional media planning and buying (radio, television and print), creative development, promotions, sponsorships and highly targeted direct marketing. Our Best Available Rate guarantee gives consumers confidence to book directly with us by guaranteeing the same rates regardless of whether they book through our call centers, websites or other third-party channels. Our marketing strategy allows us to better optimize the efficiency of our advertising dollars by strategically grouping brands together for select initiatives with the goal of driving more customers to our proprietary websites and our loyalty program. These efforts drive tens of millions of consumer impressions.

Our global sales organization leverages the size and diversification of our portfolio to gain a larger share of business for each of our hotels through relationship-based selling to a broad range of hotel guests including corporate business travel clients, corporate group clients, association markets, consortium and travel agent clients, wholesale leisure clients, social group clients, and specialty markets such as trucking companies and travel clubs. With over 8,000 hotels throughout the world, we are able to find more complete solutions for a client/company whose travel needs range from economy to upscale brands. Our Dolce Hotels and Resorts ("Dolce") brand provides Wyndham with a portfolio of hotels that primarily cater to meeting and conference functions. In order to leverage multidimensional customer needs for our hotels, the sales team is deployed globally in key markets within Europe, Latin America, India, Canada, China, Singapore, Australia, the Middle East and the United States.

We also offer several levels of revenue management subscription services, with professionals deployed in key markets globally, to help maximize the revenues of our franchisees by advising them on strategies intended to optimize rate and inventory management. These services also coordinate all recommended revenue programs delivered to our franchisees in tandem with e-commerce and brand marketing strategies.

A key element of our value proposition to franchisees is reservation delivery and profit optimization. Our cloud-based, web-enabled, state-of-the-art technology platform, which includes a fully integrated property management, reservation and revenue management system, is provided to all our franchisees at an affordable price. Our scale enables franchisees to take advantage of attractive pricing, and this cloud-based solution eliminates the need for our franchisees to purchase or maintain an on-site server, which traditionally has been a significant cost to hotel owners. Our platform simplifies the revenue management process by automatically analyzing each hotel's booking data on a daily basis, recognizing trends and patterns, and providing our hotel owners with rate and inventory management recommendations to help optimize the hotel's demand. Our hotel owners are able to more effectively manage their pricing and inventory, connect to a wider range of global distribution partners, utilize a broad array of currency and language capabilities and have access to a fully integrated customer profile and history tied into our Wyndham Rewards program. We completed our migration of more than 4,500 of our franchised hotels to this new technology platform in 2017.

Franchise Development

Our franchise development team consists of over 100 professionals in locations throughout the world, including Europe, Latin America, India, China, Australia, the Middle East and the United States. Our development team is focused on growing our franchise business, and their efforts typically target existing franchisees as well as hotel developers, owners of independent hotels and owners of hotels leaving competitor brands.

In addition, our development team is focused on growing our management business, particularly in the top 25 U.S. markets, with properties and hotel owners who will raise the profile and performance of our hotel brands. Our hotel management business gives us access to development opportunities beyond pure-play franchising transactions. When a hotel owner is seeking both a brand and a manager, we are able to couple these services into one offering.

The number of hotel group properties and rooms in our pipeline as ofDecember 31, 2017 is as follows:

	U.S.*		International		Total	
	Properties	**Rooms**	**Properties**	**Rooms**	**Properties**	**Rooms**
Conversions	399	37,384	98	9,805	497	47,189
New Construction	264	25,408	396	75,580	660	100,988
Total	663	62,792	494	85,385	1,157	148,177

* Includes Puerto Rico.

Many of our hotel conversions are not captured in our pipeline statistics as the period from signing the contract to flagging the hotel often occurs within the same quarter.

In North America, we generally employ a direct franchise model whereby we contract with and provide various services directly to hotel owners. Under our direct franchise model, we principally market our hotel group brands to hotel developers, owners of independent hotels, and hotel owners who have the right to terminate their existing franchise affiliations with other hotel brands. We also market franchises to existing franchisees since many own, or may own in the future, other hotels that can be converted to one of our brands. 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 10 to 20 years. It also gives the franchisor and franchisee certain rights to terminate the franchise agreement before its end date under certain circumstances, such as upon the lapse of a certain number of years after commencement of the agreement. Early termination options in these agreements give us the flexibility to terminate franchised hotels if business circumstances warrant. We also have the right to terminate a franchise agreement for failure by a franchisee to bring its property into compliance with contractual or quality standards within specified periods of time, pay required franchise fees or comply with other requirements of the agreement.

While we generally employ a direct franchise model in North America, we currently own two hotels, the Bonnet Creek hotel, which is situated in our Bonnet Creek vacation ownership resort near the Walt Disney World resort in Florida, and the Rio Mar hotel oceanfront property that includes premier restaurants, a spa, casino, golf course, and comprehensive business center, which is located in Rio Grande, Puerto Rico. Both of these hotels are mixed-use properties consisting of both hotel and timeshare components. These mixed-use properties enable us to leverage the synergies of our owned hotels and vacation ownership elements and provide us with opportunities to generate cross-product interest by exposing our hotel guests to the vacation ownership product. Additionally, under our mixed-use business model, we are able to provide our hotel guests and VOI owners with higher-quality amenities.

In other parts of the world, we employ both a direct franchise and master franchise model. We generally employ a master franchise model in regions where we can accelerate our growth and expansion through a strong in-market business partner. For example, while we employ a direct franchising model in China for our Wyndham and Ramada brands, we use a master franchise model for our Super 8, Days Inn and Howard Johnson brands. Similarly, within Canada, we generally employ a direct franchising model for our brands with the exception of our Days Inn and Travelodge brands, for which we use a master franchise model.

Franchise agreements in regions outside of North America may carry a lower fee structure based on the services we are prepared to provide in that particular region. Under our master franchise model we typically market our hotel group brands to third parties that assume the principal role of franchisor, which involves selling individual franchise agreements and

providing quality assurance, marketing assistance and reservations support to franchisees. Since we provide only limited services to master franchisors, the fees we receive in connection with these agreements are typically lower than the fees we receive under a direct franchising model. Master franchise agreements, which are individually negotiated and vary among our brands, typically contain provisions that permit us to terminate the agreement if the other party fails to meet specified development schedules.

Strategies

Our strategy is to grow our profitability and create long-term shareholder value by:

- **attracting, retaining and developing franchisees;**
- **“elevating the economy experience”;**
- **expanding our presence in the midscale space and beyond; and**
- **growing our footprint in the new and existing international markets**

Seasonality

Franchise and management fees are generally higher in the second and third quarters than in the first or fourth quarters of any calendar year. This is due to increased leisure travel and the related ability to charge higher ADRs during these months.

Competition

We encounter competition among hotel franchisors and lodging operators. We believe franchisees make decisions based principally upon the perceived value and quality of the brand and the services offered. We further believe that the perceived value of a brand name is partially a function of the success of the existing hotels franchised under the brand.

The ability of an individual franchisee to compete may be affected by the location and quality of its property, the number of competitors 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 performance is substantially reduced by virtue of the diverse locations of our franchised hotels and by the scale of our franchisee base. Our franchise system is dispersed among 5,727 franchisees, which reduces our exposure to any one franchisee. Our three master franchisors in China account for 16% of our franchised hotels. Apart from these relationships, no one franchisee accounts for more than 1% of our franchised hotels.

WYNDHAM DESTINATION NETWORK

Industry

A large segment of leisure travel is delivered through non-hotel accommodations that include vacation ownership exchange and vacation rentals. These non-hotel accommodations provide leisure travelers access to a wide variety of leisure options that include vacation ownership resorts, privately-owned vacation homes, apartments and condominiums.

Vacation exchange is a fee-for-service industry that offers services and products to timeshare developers and owners. To participate in a vacation exchange, a timeshare owner deposits his or her interval from a resort or points from his or her club into a vacation exchange company’s network and receives the opportunity to use another owner’s interval at a different destination. The vacation exchange company assigns a value to the owner’s deposit based upon a number of factors, including supply and demand for the destination, size of the timeshare unit, dates of the interval and the amenities at the resort. Vacation exchange companies generally derive revenues by charging fees for facilitating vacation exchanges and through annual membership dues. In 2016, 30% of global timeshare owners (or 6.1 million) were vacation exchange members, and they completed approximately 2.8 million vacation exchanges.

Vacation ownership clubs, such as Club Wyndham Plus, WorldMark by Wyndham, Hilton Grand Vacations and Disney Vacation Club, give members the option to exchange both internally, within their collection of resorts, or externally through vacation exchange networks such as RCI. These types of clubs have been the largest driver of vacation ownership industry growth over the past several years. This long-term trend has a positive impact on the average number of members, but a negative effect on the number of vacation exchange transactions per member and revenue per member as members exchange more often within their club.

Wyndham Destination Network Overview

We operate the world's largest vacation exchange network based on the number of members and are a leading provider of professionally managed vacation rentals in North America. Our mission is to send people on the vacation of their dreams and, during 2017, we sent approximately 7 million people to their desired destinations. Through our industry-leading tools, expertise and brands, we create connections between suppliers and guests to maximize supplier utilization and guest experience. We are largely a fee-for-service business with strong and predictable cash flows.

Our programs serve a member base of timeshare, fractional and whole-unit owners who want flexibility and variety in their travel plans each year. Through our collection of vacation exchange brands, we have approximately 3.9 million member families. We generally retain over 85% of our RCI members each year. In the vast majority of cases, we acquire new members when an affiliated timeshare developer pays for the initial term of a membership on behalf of a timeshare owner as part of the vacation ownership purchase process. Generally, this initial membership is for either a 1 or 2 year term, after which these new members may choose to renew directly with us. We also acquire a small percentage of new members directly from online channels. Club and corporate members receive the benefit of our vacation exchange program as part of their ownership with enrollment and renewals paid for by the developer. Members receive periodicals published by us and, for additional fees, use the applicable vacation exchange program and other services that provide members the ability to protect trading power or points, extend the life of a deposit, combine two or more deposits for the opportunity to exchange into intervals with higher trading power, and book travel services.

Our vacation exchange business has relationships with over 4,300 vacation ownership resorts in 110 countries and territories, located in North America, Latin America, the Caribbean, Europe, the Middle East, Africa and the Asia Pacific region. We tailor our strategies and operating plans for each region where we have, or seek to develop, a substantial member base.

Our vacation exchange business derives the majority of its revenues from annual membership dues and fees for facilitating vacation exchanges and rentals. We also generate revenue from: (i) additional services, programs with affiliated resorts, club servicing and loyalty programs and (ii) additional products that provide members the ability to protect trading power or points, extend the life of deposits, and combine two or more deposits for the opportunity to exchange into intervals with higher trading power. No one customer, developer or group accounts for more than 8% of our revenues.

Performance in our vacation exchange business is measured by the following key operating statistics:

- **Average number of members** - Represents members in our vacation exchange programs who paid annual membership dues as of the end of the period or within the allowed grace period.

- **Exchange revenue per member** - Represents total annualized revenues generated from fees associated with memberships, exchange transactions, member-related rentals and other servicing for the period divided by the average number of vacation exchange members during the period.

We also derive revenues from our North American vacation rentals business from (i) commissions earned on the rental of vacation rental properties on behalf of independent owners and (ii) additional property management services delivered to property owners, vacation rental guests and homeowners' associations.

Brands

We operate under the following brands:

RCI. Founded in 1974, RCI operates the world's largest vacation ownership weeks-based vacation exchange network, RCI Weeks, and provides members with the ability to exchange week-long intervals in units at their home resort for intervals at comparable resorts. RCI also operates the world's largest vacation ownership points-based vacation exchange network, RCI Points. This program allocates points to use rights that members cede to the vacation exchange program. Members may redeem their points for the use of vacation properties for the duration they chose in our vacation exchange program or for discounts on other services and products which may change from time to time, such as airfare, car rentals, cruises, hotels and other accommodations. When intervals are exchanged for these other services and products, RCI obtains the rights from that member's deposits and may rent vacation properties in order to recoup the expense of providing these other services and products. RCI also offers enhanced membership tiers (Gold and Platinum), which provide additional benefits to weeks and points members.

The Registry Collection. Established in 2002, The Registry Collection vacation exchange program is the industry's largest and first global vacation exchange network of luxury vacation accommodations. The luxury vacation accommodations in our network include fractional ownership resorts, higher-end vacation ownership resorts, condo-hotels and yachts. The Registry Collection Program allows members to exchange their intervals for the use of other luxury vacation properties within the network for a fee and also offers access to other services and products at member preferred rates, such as cruises, yachts, adventure travel, hotels and other accommodations.

DAE. Founded in 1997, DAE is a leading direct-to-consumer model of vacation exchange with global operations. This member-direct vacation exchange program is open to all timeshare owners, regardless of the resort where they own. DAE offers weeks, points and club owners a simple exchange system with modest support services so they can enjoy resort style accommodations around the world.

Love Home Swap. Founded in 2011, Love Home Swap provides homeowners two ways to turn their home into vacation opportunities. Members have the option to: (i) swap time at their home directly with another member for time at their property or (ii) swap time at their home for points, which can be used at a later date to secure a stay at another member's home. Love Home Swap has developed a sizeable footprint in the United Kingdom and other parts of Europe and has begun to establish a presence in the United States and Australia.

Wyndham Vacation Rentals. Wyndham Vacation Rentals offers North America-based rental properties in nearly 50 beach, ski, mountain, theme park, golf and tennis destinations such as Florida, South Carolina, Colorado, Delaware, North Carolina, Alabama, Tennessee, Utah, California and British Columbia. It has more than 35 years of industry experience providing vacation rentals to travelers through recognized and established brands such as ResortQuest, Steamboat Resorts and Smoky Mountain Property Management.

Inventory

The properties our business makes available to travelers include vacation ownership condominiums, fractional resorts, homes, yachts, private residence clubs and traditional hotel rooms. We offer travelers flexibility as to time of travel and a choice of lodging options. This flexibility also helps our affiliated resorts as it provides additional benefit to the vacation ownership product. We offer property owners marketing, booking, property management and quality control services.

We leverage inventory (Vacation Ownership Interests or VOIs and independently owned properties) across our network of brands to maximize value for affiliates, vacation exchange members, vacation rental property owners and guests. We also leverage our scale and global marketing expertise to enhance demand and drive occupancy across our network of destinations, including the ability to source vacation rental inventory for vacation exchange members.

We also provide industry-leading technology and revenue management expertise to optimize our network of destination inventory through automated tools and sophisticated yield management techniques and to provide inventory distribution to our network of affiliated resorts. Additionally, we have adapted our yield management technology to introduce a new vacation rental property recruiting tool and have implemented the tool throughout our North American vacation rental operations.

Customer Development

We affiliate with vacation ownership developers directly through our in-house sales teams. Affiliated developers sign agreements that have an average duration of approximately five years. Our members are acquired primarily through our affiliated developers as part of the vacation ownership purchase process. We also acquire a small percentage of our members directly from online channels.

At our vacation rental brands, we primarily enter into exclusive annual rental agreements with property owners. We market these rental properties online and offline to large databases of customers. Additional customers are sourced through transactional websites and offline advertising and promotions, and through the use of third-party travel agencies, tour operators and online distribution channels to drive additional occupancy. We have a number of specific branded websites to promote, sell and inform new customers about vacation rentals.

Loyalty Program

RCI's loyalty program, RCI Elite Rewards, offers a co-branded credit card to our members. The card allows members to earn reward points that can be redeemed for items related to our vacation exchange programs, including annual membership dues, exchange fees for transactions, and other services and products offered by RCI or certain third parties, including airlines and retailers.

Our vacation rental brands also participate in the industry's leading loyalty program, Wyndham Rewards. During 2017, we made approximately 7,000 vacation rental properties available for redemption through Wyndham Rewards and will continue incorporating properties into the program in the years to come. We expect Wyndham Rewards to increase awareness of our vacation rental brands and drive incremental revenue.

Distribution

We distribute our products and services through proprietary websites and call centers around the world. We invest in new technologies and online capabilities to ensure that our customers have the best experience and access to consistent information and services across digital and call center channels. We continue to enhance our digital channels, mobile capabilities and e-commerce platforms across our network.

Important technology enhancements include streamlined search and transaction journeys, improved help and mobile functionality, more robust redesigned website content, and personalized content and offers for our customers. Recognizing that today's on-the-go customer relies on mobile devices more frequently than ever before, we are further investing in our mobile apps and mobile browsers based on the latest technologies coupled with a more nuanced understanding of customer behavior. We have incorporated new tools and responsive designs that take advantage of the portability and variability of mobile devices, allowing customers to research and plan activities, going beyond the travel booking transaction alone.

Part of our vacation rental strategy has been to enhance and expand our online distribution channels, including global partnerships with several industry-leading online travel and vacation rental portals in order to streamline inventory connectivity and guest experience. This will continue to accelerate revenue growth and allow for more business on the web instead of through our call centers, thus generating cost savings for us.

The requests we receive at our global call centers are handled by our vacation guides, who are trained to fulfill requests for vacation exchanges and rentals. Call centers remain an important distribution channel for us and therefore we continue to invest resources to ensure that members and rental customers receive a high level of personalized customer service. Through our call centers, we also provide private-labeled reservation booking, customer care and other services for our RCI affiliates.

Marketing

We market our services and products to our customers using our six primary consumer brands and other related brands in more than 130 offices worldwide through several marketing channels including direct mail, email, social media, telemarketing, online distribution channels, brochures and magazines. Our core marketing strategy is to personalize and customize our marketing to best match customer preferences. We have a comprehensive social and mobile media platform including apps for smartphones and tablets, Facebook and Pinterest fan pages, several Twitter and Instagram accounts and YouTube channels, online video content, and various online magazines. We use our various resort directories and periodicals related to the vacation industry for marketing as well as for member retention and loyalty. Additionally, we promote our offerings to owners of resorts and vacation homes through trade shows, online and other marketing channels that include direct mail and telemarketing.

Strategies

Our strategy is to grow our profitability and create long-term shareholder value by:

- **leveraging our exchange platform and expertise to expand into new membership models and offerings;**
- **investing in technology to personalize and improve the customer experience and maximize retention;**
- **utilizing analytics to maximize yield and improve key business processes across our portfolio; and**
- **promoting the benefits of vacation ownership to new and existing customer segments.**

Our plans generally focus on pursuing these strategies organically. However, in appropriate circumstances, we will consider opportunities to acquire businesses, both domestic and international.

Seasonality

Our revenues from vacation exchange fees have traditionally been higher in the first quarter, which is generally when our vacation exchange members plan and book their vacations for the year. Revenues from vacation rentals have traditionally been highest in the third quarter, when vacation arrivals are highest.

Competition

Wyndham Destination Network competes globally with other vacation exchange companies and certain developers and clubs that offer vacation exchanges through their own internal networks of properties. Our vacation exchange business also

competes with third-party Internet travel intermediaries and peer-to-peer online networks that are used by consumers to search for and book their resort and other travel accommodations. Our vacation rental brands face competition from a broad variety of professional vacation rental managers, most of which are small regional operators and individual property owners who pursue the rent-by-owner model, collectively using brokerage services, direct marketing and the internet to market and rent their vacation properties.

WYNDHAM VACATION OWNERSHIP

Vacation Ownership (Timeshare) Industry

The vacation ownership industry, also referred to as the timeshare industry, enables consumers to share ownership of a fully-furnished vacation accommodation. Typically, the consumer purchases either a title to a fraction of a unit or a right to use a property for a specific period of time. This is referred to as a Vacation Ownership Interest or VOI. For many purchasers, vacation ownership is an attractive alternative to traditional lodging accommodations at hotels. Unlike hotel customers, timeshare owners are immune to variability in room rates. Also, vacation ownership units are, on average, more than twice the size and typically have more amenities than traditional hotel rooms, such as kitchens or in-unit laundry.

VOIs are generally sold through weekly intervals or points-based systems. Under the weekly intervals system, owners can use a specific unit at a specific resort often during a specific week of the year. Under the points-based system, owners often have advance reservation rights for a particular destination, but are free to redeem their points for various unit types and/or locations. In addition, points owners can vary the length and frequency of product utilization. Once point values are established for particular units, they generally cannot be changed, ensuring that the value of owner's points never diminishes. According to the American Resort Development Association (or "ARDA", a trade association representing the vacation ownership and resort development industries) industry-wide sales were divided 71% for points-based systems and 29% for weekly intervals in 2016.

The vacation ownership concept originated in Europe during the late 1960s and spread to the United States shortly thereafter. The industry expanded slowly in the United States until the mid-1980s. From the mid-1980s through 2007, it grew at a double-digit rate. Sales declined by approximately 8% in 2008 and experienced even greater declines in 2009 due to the global recession and a significant disruption in the credit markets. More recently, according to a 2017 report issued by ARDA, domestic vacation ownership sales were approximately $9.2 billion in 2016, compared to $8.6 billion in 2015.

While a secondary resale market for VOIs exists, it is fragmented and lacks specific regulation. In addition, owners who purchase on the secondary market typically do not receive all of the benefits that owners who purchase directly from a developer receive.

Based on published industry data, the primary reasons owners have expressed for buying and continuing to own their timeshare are as follows:

- saving money on future vacation costs;
- location of resorts;
- overall flexibility by allowing them the ability to use different locations, unit types and times of year;
- the certainty of vacations; and
- the certainty of quality accommodations.

Demographic factors explain, in part, the continued appeal of vacation ownership. A 2016 study of recent U.S. vacation ownership purchasers indicated that the average timeshare owner is 47 years old and has an average annual household income of $93,000. Nearly half of the respondents indicated they plan to buy or upgrade a timeshare over the next two years. This, along with other industry data, suggests that the typical purchaser in the United States has disposable income and is interested in purchasing vacation products. Although we believe baby boomers will continue to be active participants in the vacation ownership industry, this study notes that 41% of the respondents were Gen X'ers and 26% were Millennials and that the average age of new first-time purchasers was 43 years old with an average household income of $88,000. The data also suggests that perception of the industry and primary reasons for buying their timeshare voiced by Millennials are similar to the overall population of owners but with them seeking even more flexibility in using and accessing the product. Most owners can exchange their timeshare unit through exchange companies, and through the applicable vacation ownership company's internal network of properties.

Wyndham Vacation Ownership Overview

Wyndham Vacation Ownership is the largest vacation ownership business in the world as measured by revenues and the number of vacation ownership resorts, units and owners. We develop and acquire vacation ownership resorts, market and sell VOIs, provide consumer financing for the majority of the sales, and provide property management services to property owners' associations. As of December 31, 2017, we had 221 vacation ownership resorts in the United States, Canada, Mexico, the Caribbean and the South Pacific that represent approximately 25,000 individual vacation ownership units and over 878,000 owners of VOIs.

Our brands operate points-based vacation ownership programs through which VOIs can be redeemed for vacations that provide owners with flexibility as to resort location, length of stay, number of stays, unit type, and time of year. Our programs allow us to market and sell our vacation ownership products in variable quantities and to offer existing owners "upgrade" sales to supplement such owners' existing VOIs. This contrasts with the fixed quantity of the traditional fixed-week vacation ownership, which is primarily sold on a weekly interval basis. Less than 1% of our VOI sales are from traditional fixed-week vacation ownership sales.

Although we operate separate brands, we have integrated substantially all of the business functions, including consumer finance, information technology, staff functions, product development and marketing activities.

Revenues

Our vacation ownership business derives a majority of its revenues from timeshare sales, with the remainder coming from consumer financing and property management. Property management revenues are partly dependent on the number of units we manage.

Operating Statistics

Wyndham Vacation Ownership's performance is measured by the following key operating statistics:

- **Gross vacation ownership interest sales or VOIs** - Represents sales of VOIs including WAAM sales before the net effect of percentage-of-completion ("POC") accounting and loan loss provisions.

- **Tours** - Represents the number of tours taken by guests in our efforts to sell VOIs.

- **Volume per guest or VPG** - Represents gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) divided by the number of tours. We have excluded non-tour upgrade sales in the calculation of VPG because non-tour upgrade sales are generated by a different marketing channel.

Our Vacation Ownership Brands

Club Wyndham

As of December 31, 2017, resort properties branded as Club Wyndham consisted of 100 resorts (22 of which are shared with WorldMark by Wyndham, two of which are shared with Wyndham Vacation Resorts Asia Pacific and one of which is shared with Shell) primarily located in the United States and included over 14,000 units. As of such date, approximately 509,000 owners held Club Wyndham VOIs.

WorldMark by Wyndham

WorldMark by Wyndham is a club consisting of 93 resorts (22 of which are shared with Club Wyndham, one of which is shared with Wyndham Vacation Resorts Asia Pacific and one of which is shared with Shell) and representing over 7,100 units which are located primarily in the Western United States, Canada and Mexico. As of December 31, 2017, approximately 227,000 owners held vacation credits in the club. The resorts in which WorldMark by Wyndham markets and sells vacation credits are primarily drive-to resorts.

Wyndham Vacation Resorts Asia Pacific

As of December 31, 2017, over 56,000 owners held vacation credits for Wyndham Vacation Resorts Asia Pacific, which consists of 30 resorts (one of which is shared with WorldMark by Wyndham and two of which are shared with Club Wyndham) representing approximately 1,500 units that are located exclusively in the South Pacific.

Shell Vacations Club

Shell Vacations Club consists of 25 resorts (one of which is shared with Club Wyndham and one of which is shared with WorldMark by Wyndham) representing over 2,200 units which are primarily located in Hawaii, California, Arizona, Texas, Nevada, Oregon, New Hampshire, North Carolina, Wisconsin and Canada. As of December 31, 2017, over 86,000 owners held vacation points in the Shell Vacations Club.

Maintenance Fees

Timeshare owners pay annual maintenance fees to the property owners' associations responsible for managing the applicable resorts or to the Clubs. The annual maintenance fee associated with the average VOIs purchased ranges from approximately $400 to $1,000. These fees are used to renovate and replace furnishings, pay for management, operating, maintenance, cleaning and insurance costs, cover taxes in some states, and pay for other related costs. As the owner of unsold inventory at resorts or unsold interests in the Clubs, we also pay maintenance fees in accordance with the legal requirements of the jurisdictions in which the resorts are located. In addition, at certain newly-developed resorts, we sometimes enter into subsidy agreements with the property owners' associations to cover costs that otherwise would be covered by annual maintenance fees payable with respect to VOIs that have not yet been sold.

Sales and Marketing

We employ a variety of marketing channels to encourage prospective owners of VOIs to tour our properties and attend sales presentations at off-site sales offices. Our resort-based sales centers also enable us to actively solicit upgrade sales to existing owners of VOIs while they vacation at our resort properties. We also operate a tele-sales program designed to market upgrade sales to existing owners of our products. Sales of VOIs relating to upgrades represented approximately 64%, 67%, and 68% of our net VOI sales during 2017, 2016 and 2015, respectively.

We use 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 in association with Wyndham Hotel Group brands, other co-branded marketing programs and events. We also partner with Wyndham Hotel Group by utilizing the Wyndham Rewards loyalty program to offer Wyndham Rewards points as an incentive to prospective VOI purchasers, and by providing additional redemption options to Wyndham Rewards members. We also co-sponsor sweepstakes, giveaways and 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, we offer cash awards or other incentives to existing owners for referrals of new owners.

New owner acquisition is an important strategy for us as this will continue to maintain our pool of "lifetime" buyers of vacation ownership and thus enable us to solicit upgrade sales in the future. We believe the market for VOI sales is under-penetrated, and estimate that there are 53 million U.S. households that are potential purchasers of VOIs. We added approximately 36,000, 33,000 and 30,000 new owners during 2017, 2016 and 2015, respectively.

Our marketing and sales activities are often facilitated through marketing alliances with other travel, hospitality, entertainment, gaming and retail companies that provide access to such companies' customers through a variety of co-branded marketing offers. Our resort-based sales centers, which are located in popular travel destinations throughout the United States, generate substantial tour flow by enabling us to market to tourists already visiting these destination areas. Our marketing agents, who often operate on the premises of the hospitality, entertainment, gaming and retail companies with which we have alliances, solicit tourists with offers relating to entertainment activities and other incentives in exchange for the tourists visiting the local resorts and attending sales presentations.

An example of a marketing alliance through which we market to tourists visiting destination areas is our current arrangement with Caesars Entertainment in Las Vegas, Nevada. This arrangement enables us to operate concierge-style marketing kiosks throughout select casinos and permits us to solicit patrons to attend sales presentations with casino-related rewards and entertainment offers, such as gaming chips, show tickets and dining certificates. We also operate our primary Las Vegas sales center within Harrah's Casino and regularly shuttle prospective owners targeted by such sales centers to and from our nearby resort property.

Other marketing alliances provide us with the opportunity to align our marketing and sales programs with well-known lifestyle brands that appeal to consumers with similar demographics to our current purchasers. One such example is our alliance with Margaritaville, a lifestyle brand popularized by musician/entertainer Jimmy Buffett, where we market to patrons of various Margaritaville product lines via multiple channels, including on-site marketing at Margaritaville restaurants, affiliated venues and events, as well as co-branded vacation ownership offerings.

We offer a variety of entry-level programs and products as part of our sales strategy. For example, we have a program that allows prospective owners a one-time allotment of points or credits with no further obligations, which we refer to as our sampler program, and a biennial product that provides for vacations every other year. As part of our sales strategies, we rely on our points/credits-based programs, which provide prospective owners with the flexibility to buy relatively small packages of points or credits which can then be upgraded at a later date. To facilitate upgrade sales among existing owners, we market opportunities for owners to purchase additional points or credits through periodic marketing campaigns and promotions while those owners vacation at our resort properties.

Purchaser Financing

We offer financing to purchasers of VOIs which attracts additional customers and generates substantial incremental revenues and profits. We fund and service loans extended by Club Wyndham and WorldMark by Wyndham through our consumer financing subsidiary, Wyndham Consumer Finance, a wholly owned subsidiary of Wyndham Vacation Resorts based in Las Vegas, Nevada. Wyndham Consumer Finance performs loan financing, servicing and related administrative functions. We have funded Shell Vacations Club loans since the date of acquisition through our consumer finance subsidiary, and service them through a third-party.

We typically perform a credit investigation or other inquiry into every purchaser’s credit history before offering to finance a portion of the purchase price of the VOIs. The interest rate offered to participating purchasers is determined by an automated underwriting process based upon the purchaser’s credit score, the amount of the down payment, and the size of purchase. We use a FICO score which is a branded version of a consumer credit score widely used within the United States by the largest banks and lending institutions. FICO scores range from 300 to 850 and are calculated based on information obtained from one or more of the three major U.S. credit reporting agencies that compile and report on a consumer’s credit history. For purchasers with large loan balances, we maintain higher credit standards for new loan originations. Our weighted average FICO score on new originations was 726, 727 and 725 for 2017, 2016 and 2015, respectively.

During 2017, we generated approximately $1.4 billion of new receivables on $2.1 billion of gross vacation ownership sales, net of WAAM Fee-for-Service sales, resulting in 66% of our vacation ownership sales being financed. This level of financing is prior to the receipt of addenda cash. Addenda cash represents the cash received for full payment of a loan within 15 to 60 days of origination. After the application of addenda cash, we financed approximately 58% of vacation ownership sales during 2017.

We generally require a minimum down payment of 10% of the purchase price on all sales of VOIs and offer consumer financing for the remaining balance for up to 10 years. While the minimum is generally 10%, during 2017 and 2016, our average down payment on financed sales of VOIs was approximately 24% and 25% during 2017 and 2016, respectively. The decrease is attributable to lower down payment requirements to support our strategy to grow new members. These loans are structured with equal monthly installments that fully amortize the principal by the final due date.

Similar to many other companies that provide consumer financing, we have historically securitized a majority of the receivables originated in connection with the sales of VOIs. 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.

Our consumer financing subsidiary is responsible for the maintenance of contract receivables files as well as all customer service, billing and collection activities related to the domestic loans we extend (except for loans associated with Shell Vacations Club). We assess the performance of our loan portfolio by monitoring numerous metrics including collections rates, defaults by state of residency and bankruptcies. Our consumer financing subsidiary also manages the selection and processing of loans pledged or to be pledged in our warehouse and term securitization facilities. As of December 31, 2017, 95% of our loan portfolio was current (i.e., not more than 30 days past due).

Property Management

On behalf of each of the property owners’ associations, we or our affiliates generally provide day-to-day management for vacation ownership resorts, which includes 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 are generally between 3 to 5 years; however, the vast majority of the agreements provide a mechanism for automatic renewal upon expiration of the terms. In connection with these property management services, we

receive fees which are generally based upon total costs to operate such resorts. Fees for property management services typically approximate 10% of budgeted operating expenses.

Inventory Sourcing

We sell inventory sourced primarily through four channels:

- self-developed inventory,
- WAAM,
- consumer loan defaults, and
- inventory reclaimed from owners' associations or owners.

Following are descriptions of these inventory sources:

Self-developed inventory. Under the traditional timeshare industry development model, we finance and develop inventory specifically for our timeshare sales. The process often begins with the purchase of raw land which we then develop. Depending on the size and complexity of the project, this process can take several years. Such inventory can include mixed-use inventory developed in conjunction with one of our hotel brands, where a portion of the property is devoted to the timeshare product.

WAAM. In 2010, we introduced the first of our WAAM models, WAAM Fee-for Service. This timeshare sourcing model was designed to capitalize upon the large quantities of newly developed, nearly completed or recently finished condominium or hotel inventory in the real estate market without assuming the significant risk that accompanies property acquisition or new construction. This business model offers turn-key solutions for developers or banks in possession of newly developed inventory, which we sell for a fee through our extensive sales and marketing channels. WAAM Fee-for-Service enables us to expand our resort portfolio with little or no capital deployment, while providing additional channels for new owner acquisition and growth for our fee-for-service property management business.

In addition to the WAAM Fee-for-Service business model, we utilize our WAAM Just-in-Time inventory acquisition model. This model enables us to acquire and own completed units close to the timing of their sale or to acquire completed inventory from a third-party partner based upon a predetermined purchase schedule. This model significantly reduces the period between the deployment of capital to acquire inventory and the subsequent return on investment which occurs at the time of its sale to a timeshare purchaser. For the most part, inventory is recorded on our balance sheet at the time we are committed to purchase such inventory, which generally coincides with the time of registration.

Consumer loan defaults. As discussed in the "Purchaser Financing" section, we offer financing to purchasers of VOIs. In the event of a default, we are able to recover the inventory and resell it at full current value. We are responsible for the payment of maintenance fees to the property owners' associations until the product is sold. As of December 31, 2017, inventory on the Consolidated Balance Sheet included estimated recoveries of loan defaults in the amount of $279 million.

Inventory reclaimed from owners' associations or owners. We have entered into agreements with a majority of the property associations representing our developments where we may acquire from the associations, properties related to owners who have defaulted on their maintenance fees, provided there is no outstanding debt on such properties. In addition, we frequently work with owners to acquire their properties, provided they have no outstanding debt on such properties, prior to those owners defaulting on their maintenance fees. This provides the owner with a graceful exit from a property that is no longer utilized due to lifestyle changes.

Strategies

Our strategy is to grow our profitability and create long-term shareholder value by:

- **adding new members efficiently through new inventory locations, new tour sources and enhanced third-party alliances;**
- **driving free cash flow through efficient inventory procurement, optimizing our consumer loan portfolio and increasing operating efficiencies; and**
- **increasing cross-business benefits, new owner tours and customer loyalty by leveraging the Wyndham Rewards loyalty program.**

Seasonality

We rely, in part, upon tour flow to generate sales of VOIs; consequently, sales volume tends to increase in the spring and summer months as a result of greater tour flow from spring and summer travelers. Therefore, revenues from sales of VOIs are generally higher in the third quarter than in other quarters.

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.

TRADEMARKS

Our brand names and related trademarks, service marks, logos and trade names are critical to the businesses that make up our Wyndham Hotel Group, Wyndham Destination Network and Wyndham Vacation Ownership business units. Our subsidiaries actively use or license for use all significant marks, and we own or have exclusive licenses to use these marks. We register the marks that we own in the United States Patent and Trademark Office, as well as with other relevant authorities where we deem appropriate, and seek to protect our marks from unauthorized use as permitted by law.

EMPLOYEES

As of December 31, 2017, we had approximately 39,200 employees, including approximately 11,000 employees outside of the United States. As ofDecember 31, 2017, our hotel group business had over 8,700 employees, our destination network business had over 11,200 employees, our vacation ownership business had over 18,700 employees and our corporate group had over 600 employees. Approximately 9% of our employees are subject to collective bargaining agreements governing their employment with our company.

ENVIRONMENTAL COMPLIANCE

Our compliance with laws and regulations relating to environmental protection and discharge of hazardous materials has not had a material impact on our capital expenditures, earnings or competitive position, and we do not anticipate any material impact from such compliance in the future.

SUSTAINABILITY

We are committed to being at the forefront of sustainable business practices and we continue to work toward meeting all corporate social responsibility regulations in areas where we do business. Our goal for 2016 was to reduce our carbon emissions by 25% at our owned, managed and leased assets (based on square foot intensity) compared to 2010, which we use as our baseline. During 2016, we surpassed our goal and reduced our carbon emissions by 33% compared to 2010. We have increased our goal to reduce our carbon emissions by 40% and water consumption by 25% by the year 2025 (based on square foot intensity) compared to 2010. We will maintain our goal to ensure that 30% of our qualified supply chain spend is with suppliers who meet our Wyndham Green criteria by 2020. As of December 31, 2016, 27% of suppliers were considered to be in alignment with Wyndham’s sustainability initiatives. In 2017, we exceeded our goal to plant one million trees which has helped us to improve our biodiversity footprint.

ITEM 1A. RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in this report. The risk factors are separated into two groups: risks related to our business and our industry and risks related to the spin-off. 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 we face 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 Related to Our Business and Our Industry

The hospitality industry is highly competitive and we are subject to risks related to competition that may adversely affect our performance.

We will be adversely impacted if we cannot compete effectively in the highly competitive hospitality industry. Our continued success depends 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. Competition in the hospitality industry is based on brand name recognition and reputation as well as location, price, property size and availability, quality, customer satisfaction, amenities and the ability to earn and redeem loyalty program points. New hotels and resorts may be constructed and these additions to supply may create new competitors, in some cases without corresponding increases in demand. 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 require us to change our model so that we can remain competitive.

We may not be able to achieve our growth and performance objectives.

We may not be able to achieve our growth and performance objectives for increasing: our earnings and cash flows; the number of franchised and/or managed properties in our hotel business; the number of vacation exchange members and related transactions; and the number of tours and new owners generated and vacation ownership interests sold by our vacation ownership business.

Acquisitions, dispositions and other strategic transactions may not prove successful and could result in operating difficulties.

We regularly consider a wide array of acquisitions and other potential strategic transactions, including acquisitions of businesses and real property, joint ventures, business combinations, strategic investments and dispositions. Any of these transactions could be material to our business. We often compete for these opportunities with third parties, which may cause us to lose potential opportunities or to pay more than we may otherwise have paid absent such competition. We cannot assure you that we will be able to identify and consummate strategic transactions and opportunities on favorable terms or that any such strategic transactions or opportunities, if consummated, will be successful. Assimilating any strategic transactions may also create unforeseen operating difficulties and costs.

On January 17, 2018, the Company and La Quinta entered into a definitive agreement, pursuant to which the Company agreed to acquire La Quinta’s franchising and management business, and on February 15, 2018, the Company accepted a binding offer, pursuant to which an affiliate of Platinum Equity, LLC (“Platinum”) agreed to acquire our European vacation rentals business. The completion of these transactions is subject to the satisfaction of customary closing conditions, including, with respect to the La Quinta acquisition, the receipt of approval from the La Quinta shareholders, and for both transactions, government and regulatory approvals. If any conditions are not satisfied, the respective transactions may not be completed on the proposed terms, within the expected timeframes, or at all. If either or both of the proposed transactions are not completed, we will have incurred substantial expenses and diverted significant management time and resources from our ongoing business without the intended benefit.

If the proposed La Quinta acquisition is completed, the anticipated benefits of the acquisition may not be realized fully or at all and may take longer to realize than expected. The integration process may be complex, costly and time-consuming, which could adversely affect our businesses, financial results and financial condition. Even if we are able to integrate the acquired company successfully, the acquisition may not result in the realization of the full benefits of synergies, cost savings, innovation and operational efficiencies that we expect to realize or these benefits may not be achieved within a reasonable period of time.

Dispositions of businesses, such as our proposed European vacation rentals transaction, pose risks and challenges that could negatively impact our business, including required separation or carve-out activities and costs or disputes with buyers. We may also dispose of a business at a price or on terms that are less favorable than we had previously anticipated. Dispositions may also involve continued financial involvement, as we may be required to retain responsibility for, or agree to indemnify buyers against, credit support obligations, contingent liabilities related to a divested business, such as lawsuits, tax liabilities, or other matters. Under these types of arrangements, performance by the divested business or other conditions outside of our control could affect our financial condition or results of operations.

We are dependent on our senior management and the loss of any member of our senior management could harm our business.

We believe that our future growth depends in part on the continued services of our senior management team. Losing the services of any member of our senior management team could adversely affect our strategic and customer relationships and impede our ability to execute our business strategies. The market for qualified individuals may be highly competitive and finding and recruiting suitable replacements for senior management may be difficult, time consuming and costly.

Our revenues are highly dependent on the travel industry and declines in or disruptions to the travel industry such as those caused by economic conditions, terrorism, political strife, severe weather events and other acts of God, war and pandemics or threats of pandemics may adversely affect us.

Declines in or disruptions to the travel industry may adversely impact us. Risks affecting the travel industry include: economic slowdown and recession; economic factors such as increased costs of living and reduced discretionary income adversely impacting decisions by consumers and businesses to use and consume travel services and products; terrorist incidents and threats and associated heightened travel security measures; political and regional strife; acts of God such as earthquakes, hurricanes, fires, floods, volcanoes and other natural disasters; war; concerns with or threats of pandemics, contagious diseases or health epidemics; environmental disasters; increased pricing, financial instability and capacity constraints of air carriers; airline job actions and strikes; and increases in gasoline and other fuel prices.

We are subject to numerous business, financial, operating and other risks common to the hospitality industry, any of which could reduce our revenues and our ability to make distributions and limit opportunities for growth.

Our business is subject to numerous business, financial, operating and other risks common to the hospitality industry, including adverse changes with respect to any of the following:

- consumer travel and vacation patterns and consumer preferences;
- increased travel costs, including air travel, which could negatively impact consumer preferences for our hotel, resort and rental destinations;
- increased or unanticipated operating costs, including as a result of inflation, energy costs and labor costs such as minimum wage increases and unionization, workers' compensation and health-care related costs and insurance which may not be fully offset by price or fee increases in our business or otherwise;
- desirability of geographic regions where hotels or resorts in our business are located;
- the supply and demand for hotel rooms, destination network services and products and vacation ownership services and products;
- seasonality in our businesses, which may cause fluctuations in our operating results;
- geographic concentrations of our operations and customers;
- the availability of acceptable financing and the cost of capital as they apply to us, our customers, current and potential hotel franchisees and developers, owners of hotels with which we have hotel management contracts, our RCI affiliates and other developers of vacation ownership resorts and timeshare property owner associations;
- our ability to enter into new, or renew existing, hotel franchise agreements on favorable terms or at all;
- the quality of the services provided by franchisees, affiliated resorts and properties in our destination network business or resorts in which we sell vacation ownership interests or participants in the Wyndham Rewards loyalty program, which may adversely affect our image, reputation and brand value;
- overbuilding or excess capacity in one or more segments of the hospitality industry or in one or more geographic regions;
- our ability to develop and maintain positive relations and contractual arrangements with current and potential franchisees, hotel owners, vacation exchange members, vacation ownership interest owners, resorts with units that are exchanged through our destination network business and timeshare property owner associations;
- organized labor activities and associated litigation;
- the bankruptcy or insolvency of any one of our customers, which could impair our ability to collect outstanding fees or other amounts due or otherwise exercise our contractual rights;
- our effectiveness in keeping pace with technological developments, which could impair our competitive position;
- disruptions, including non-renewal or termination of agreements, in relationships with third parties including marketing alliances and affiliations with e-commerce channels;
- changes in the number, occupancy and room rates of hotels operating under franchise and management agreements;
- impact of our hotel franchisees' pricing decisions on revenues from our hotel business;
- our ability to enter into new, or renew existing, hotel management arrangements on favorable terms or at all, and to fund shortfalls as required by certain of our management agreements;

- franchisees, owners or other developers that have development advance notes with, or who have received loans or other financial arrangements incentives from, us may experience financial difficulties;
- consolidation of developers could adversely affect our destination network business;
- decrease in the supply of available destination network accommodations due to, among other reasons, a decrease in inventory included in the system or resulting from ongoing property renovations or a decrease in member deposits could adversely affect our destination network business;
- decrease in or delays or cancellations of planned or future development or refurbishment projects;
- the viability of property owners' associations that we manage and the maintenance and refurbishment of vacation ownership properties, which depend on property owners associations levying sufficient maintenance fees and the ability of members to pay such maintenance fees;
- increases in maintenance fees, which could cause our product to become less attractive or less competitive;
- our ability to securitize the receivables that we originate in connection with sales of vacation ownership interests;
- defaults on loans to purchasers of vacation ownership interests who finance the purchase price of such vacation ownerships;
- the level of unlawful or deceptive third-party vacation ownership interest resale schemes, which could damage our reputation and brand value;
- the availability of and competition for desirable sites for the development of vacation ownership properties, difficulties associated with obtaining required approvals to develop vacation ownership properties, liability under state and local laws with respect to any construction defects in the vacation ownership properties we develop, and risks related to real estate project development costs and completion;
- private resale of vacation ownership interests and the sale of vacation ownership interests on the secondary market, which could adversely affect our vacation ownership resorts and destination network business;
- disputes with franchisees, vacation exchange affiliation partners, owners of vacation ownership interests and property owners associations, which may result in litigation and the loss of management contracts;
- laws, regulations and legislation internationally and domestically, and on a federal, state or local level, concerning the hospitality industry, which may make the operation of our business more onerous, more expensive or less profitable;
- our failure or inability to adequately protect and maintain our trademarks and other intellectual property rights; and
- market perception of the hospitality industry and negative publicity from online social media postings and related media reports, which could damage our brands.

Any of these factors could increase our costs, reduce our revenues or otherwise adversely impact our opportunities for growth.

Third-party Internet reservation systems and peer-to-peer online networks may adversely impact us.

Consumers increasingly use third-party Internet travel intermediaries and peer-to-peer online networks to search for and book their hotel, resort and other travel accommodations. As the percentage of Internet reservations increases, travel intermediaries may be able to obtain higher commissions and reduced room rates from us to the detriment of our business. Such travel intermediaries may divert reservations away from our direct online channels or increase the overall cost of Internet reservations for our affiliated hotels and resorts through their fees. Additionally, as the use of these third-party reservation channels and peer-to-peer online networks increases, consumers may rely on these channels, adversely affecting our hotel and resort, rental and vacation ownership brands, reservation systems, bookings and rates. The continued development and use of peer-to-peer online networks for lodging and vacation rentals are also causing some local governments to enact bans or restrictions on short-term property rentals that may adversely impact our vacation rental business. In addition, if we fail to reach satisfactory agreements with travel intermediaries as our contracts with them come up for periodic renewal, our hotels and resorts may no longer appear on their websites and we could lose business as a result.

In addition to competing with traditional hotels, resorts, lodging and vacation rental properties, our franchisees and our vacation rental business compete with alternative lodging channels, including third-party providers of short-term rental properties and serviced apartments. Increasing use of these alternative lodging channels could materially adversely affect the occupancy and/or average rates and prices at our franchised hotels, resorts and vacation properties and our revenues.

We are subject to risks related to our vacation ownership receivables portfolio.

We are subject to risks that purchasers of vacation ownership interests who finance a portion of the purchase price default on their loans due to adverse macro or personal economic conditions, third-party organizations that encourage defaults, or otherwise, which necessitates increases in loan loss reserves and adversely affects loan portfolio performance. When such defaults occur during the early part of the loan amortization period, we may not have recovered the marketing, selling, administrative and other costs associated with such vacation ownership interests. Additional costs are incurred in connection

with the resale of repossessed vacation ownership interests, and the value we recover in a resale is not in all instances sufficient to cover the outstanding debt on the defaulted loan.

Our international operations are subject to additional risks not generally applicable to our domestic operations.

Our international operations are subject to numerous risks, including exposure to local economic conditions; potential adverse changes in the diplomatic relations of foreign countries with the U.S.; hostility from local populations; political instability; threats or acts of terrorism; the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult; the presence and acceptance of varying levels of business corruption in international markets and the effect of various anti-corruption and other laws; restrictions and taxes on the withdrawal of foreign investment and earnings; government policies against businesses or properties owned by foreigners; investment restrictions or requirements; diminished ability to legally enforce our contractual rights in foreign countries; forced nationalization of assets by local, state or national governments; foreign exchange restrictions; fluctuations in foreign currency exchange rates; conflicts between local laws and U.S. laws including laws that impact our rights to protect our intellectual property; withholding and other taxes on remittances and other payments by subsidiaries; and changes in and application of foreign taxation structures including value added taxes. Any of these risks or any adverse outcome resulting from the financial instability or performance of foreign economies, the instability of other currencies and the related volatility on foreign exchange and interest rates, could impact our results of operations, financial position or cash flows.

Changes in U.S. federal, state and local or foreign tax law, interpretations of existing tax law, or adverse determinations by tax authorities, could increase our tax burden or otherwise adversely affect our financial condition or results of operations.

We are subject to taxation at the federal, state and local levels in the United States and various other countries and jurisdictions. Our future effective tax rate and future cash flows could be affected by changes in the composition of earnings in jurisdictions with differing tax rates, changes in statutory rates and other legislative changes, changes in the valuation of our deferred tax assets and liabilities, changes in determinations regarding the jurisdictions in which we are subject to tax, and our ability to repatriate earnings from foreign jurisdictions. From time to time, U.S. federal, state and local and foreign governments make substantive changes to tax rules and their application, which could result in materially higher corporate taxes than would be incurred under existing tax law and could otherwise adversely affect our financial condition or results of operations. This includes potential changes in tax laws or the interpretation of tax laws arising out of the Base Erosion Profit Shifting project initiated by the Organization for Economic Co-operation and Development.

We are subject to ongoing and periodic tax audits and disputes in U.S. federal and various state, local and foreign jurisdictions. An unfavorable outcome from any tax audit could result in higher tax costs, penalties and interest, thereby adversely affecting our financial condition or results of operations.

Additionally, U.S. federal tax reform legislation was recently enacted which broadly reforms the corporate tax system. The tax reform law, which among other items, reduces the U.S. corporate tax rate, eliminates or limits the deduction of certain expenses which were previously deductible, imposes a mandatory deemed repatriation tax on undistributed historic earnings of foreign subsidiaries and requires a minimum tax on earnings generated by foreign subsidiaries, could have a significant impact on our effective tax rate, cash tax expenses and/or deferred income tax balances.

We are subject to certain risks related to our indebtedness, hedging transactions, securitization of certain of our assets, surety bond requirements, the cost and availability of capital and the extension of credit by us.

We are a borrower of funds under credit facilities, credit lines, senior notes, a term loan, commercial paper programs and securitization financings. We extend credit to purchasers of vacation ownership interests and in instances where we provide key money, development advance notes and mezzanine or other forms of subordinated financing to assist franchisees and hotel and resort owners in converting to or building a new hotel or resort under one of our brands. We also extend credit at times to developers of vacation ownership properties. We use financial instruments to reduce or hedge our financial exposure to the effects of currency and interest rate fluctuations. We are required to post surety bonds in connection with our development and sales activities. In connection with our debt obligations, hedging transactions, securitization of certain of our assets, surety bond requirements, the cost and availability of capital and the extension of credit by us, we are subject to numerous risks, including:

- our cash flows from operations or available lines of credit may be insufficient to meet required payments of principal and interest, which could result in a default and acceleration of the underlying debt and other debt instruments that contain cross-default provisions;

- we may be unable to comply with the terms of the financial covenants under our revolving credit facility or other debt, including a breach of the financial ratio tests, which could result in a default and acceleration of the underlying revolver debt and under other debt instruments that contain cross-default provisions;
- our leverage may adversely affect our ability to obtain additional financing on favorable terms or at all;
- our leverage may require the dedication of a significant portion of our cash flows to the payment of principal and interest thus reducing the availability of cash flows to fund working capital, capital expenditures, dividends, share repurchases or other operating needs;
- increases in interest rates may adversely affect our financing costs and the costs of our vacation ownership interest financing and associated increases in hedging costs;
- rating agency downgrades of our debt could increase our borrowing costs and prevent us from obtaining additional financing on favorable terms or at all;
- failure or non-performance of counterparties to foreign exchange and interest rate hedging transactions could result in losses;
- an inability to securitize our vacation ownership loan receivables on terms acceptable to us because of, among other factors, the performance of the vacation ownership loan receivables, adverse conditions in the market for vacation ownership loan-backed notes and asset-backed notes in general and the risk that the actual amount of uncollectible accounts on our securitized vacation ownership loan receivables and other credit we extend is greater than expected;
- breach of portfolio performance triggers under securitization transactions which if violated may result in a disruption or loss of cash flow from such transactions;
- a reduction in commitments from surety bond providers, which may impair our vacation ownership business by requiring us to escrow cash in order to meet regulatory requirements of certain states;
- prohibitive cost, or inadequate availability, of capital could restrict the development or acquisition of vacation ownership resorts by us and the financing of purchases of vacation ownership interests;
- the inability of hotel franchisees and developers of vacation ownership;
- increases in interest rates, which may prevent us from passing along the full amount of such increases to purchasers of vacation ownership interests to whom we provide financing; and
- disruptions in the financial markets, failure of financial institutions that support our credit facilities, general economic conditions and market liquidity factors outside of our control, which may limit our access to short- and long-term financing, credit and capital.

We are subject to risks related to litigation.

We are subject to a number of claims and legal proceedings and the risk of future litigation as described in this report. We cannot predict with certainty the ultimate outcome and related damages and costs of litigation and other proceedings filed or asserted by or against us. Unfavorable rulings or outcomes in litigation and other proceedings may harm our business.

Our operations are subject to extensive regulation and the cost of compliance or failure to comply with such regulations may adversely affect us.

Our operations are regulated by federal, state and local governments in the countries in which we operate. In addition, U.S. and international federal, state and local regulators may enact new laws and regulations that may reduce our revenues, cause our expenses to increase or require us to modify our business practices substantially. If we are not in compliance with applicable laws and regulations, including, among others, those governing franchising, hotel operations, timeshare (including required government registrations), vacation rentals, consumer financings and other lending, information security, data protection and privacy (including the General Data Protection Regulation), credit card and payment card security standards, marketing, sales, consumer protection and advertising, unfair and deceptive trade practices, fraud, bribery and corruption, telemarketing (including do-not-call and call-recording regulations), licensing, labor, employment, anti-discrimination, health care, health and safety, accessibility, immigration, gaming, environmental (including climate change) and remediation, intellectual property, securities, stock exchange listing, accounting, tax and regulations applicable under the Dodd-Frank Act, Office of Foreign Asset Control, Americans with Disabilities Act, the Sherman Act, the Foreign Corrupt Practices Act and local equivalents in international jurisdictions, including the United Kingdom Bribery Act, we may be subject to regulatory investigations or actions, fines, civil and/or criminal penalties, injunctions and potential criminal prosecution.

While we continue to monitor all such laws and regulations and provide training to our employees as part of our compliance programs, the cost of compliance with such laws and regulations impacts our operating costs and compliance with such laws and regulations may also impact or restrict the manner in which we operate and market our business. There can be no assurance that our compliance programs will protect us against any non-compliance with these laws and regulations. Future changes to such laws and regulations and the cost of compliance or failure to comply with such regulations may adversely affect us.

Failure to maintain the security of personally identifiable and proprietary information, non-compliance with our contractual obligations or other legal obligations regarding such information or a violation of our privacy and security policies with respect to such information could adversely affect us.

In connection with our business, we and our service providers collect and retain large volumes of certain types of personal and proprietary information pertaining to our guests, shareholders and employees. Such information includes, but is not limited to, large volumes of guest credit and payment card information. We are at risk of attack by cyber-criminals operating on a global basis attempting to gain access to such information. In connection with data security incidents involving a group of Wyndham brand hotels that occurred between 2008 and 2010, we, our hotel group and one of our hotel group subsidiaries are subject to a stipulated order with the U.S. Federal Trade Commission ("FTC") pursuant to which, among other things, the subsidiary is required to maintain an information security program for payment card information within the subsidiary's network and which provides the hotel group subsidiary with a safe harbor provided it continues to meet certain requirements for reasonable data security as outlined in the stipulated order.

While we maintain what we believe are reasonable security controls over personal and proprietary information, including the personal information of guests, shareholders and employees, a breach of or breakdown in our systems that results in the unauthorized release of personal or proprietary information could nevertheless occur, or we could fail to comply with the stipulated order with the FTC any of which could have a material adverse effect on our brands, reputation, business, financial condition and results of operations, as well as subject us to significant regulatory actions and fines, litigation, losses, third-party damages and other liabilities. Such a breach or a breakdown could also materially increase our costs to protect such information and to protect against such risks.

Additionally, the legal and regulatory environment surrounding information security and privacy in the United States and international jurisdictions is constantly evolving. Should we violate or not comply with any of these laws or regulations, contractual requirements relating to data security and privacy, or with our own privacy and security policies, either intentionally or unintentionally, or through the acts of intermediaries, it could have a material adverse effect on our brands, reputation, business, financial condition and results of operations, as well as subject us to significant fines, litigation, losses, third-party damages and other liabilities.

Our information technology infrastructure, including but not limited to our, and our third-party service providers', information systems and legacy proprietary online reservation and management systems, has been and will likely continue to be vulnerable to system failures, computer hacking, cyber-terrorism, computer viruses and other intentional or unintentional interference, negligence, fraud, misuse and other unauthorized attempts to access or interfere with these systems and our personal and proprietary information. In addition, as we transition from our legacy systems to new, cloud-based technologies, we may face start-up issues that may negatively impact guests. The increased scope and complexity of our information technology infrastructure and systems could contribute to the potential risk of security breaches or breakdown.

The insurance we carry may not always pay, or be sufficient to pay or reimburse us, for our liabilities, losses or replacement costs.

We carry insurance for general liability, property, business interruption, cyber security, and other insurable risks with respect to our business and franchised, managed and owned hotels, resorts and other properties. We also self-insure for certain risks up to certain monetary limits. The terms and conditions or the amounts of coverage of our insurance may not at all times be sufficient to pay or reimburse us for the amount of our liabilities, losses or replacement costs, and there may also be risks for which we do not obtain insurance in the full amount or at all concerning a potential loss or liability, due to the cost or availability of such insurance. As a result, we may incur liabilities or losses in the operation of our business that are substantial, which are not sufficiently covered by the insurance we maintain, or at all, which could have a material adverse effect on our business, financial condition and results of operations. Following the significant casualty losses incurred by the insurance industry due to hurricanes, fires and other events, property insurance costs may be higher, and availability may be lower, in future periods, particularly in certain geographies.

We rely on information technologies and systems to operate our business, which involves reliance on third-party service providers and on uninterrupted operation of service facilities.

We rely on information technologies and systems to operate our business, which involves reliance on third-party service providers and on uninterrupted operation of service facilities, including those used for reservation systems, vacation exchange systems, hotel/property management, communications, procurement, member record databases, call centers, operation of our loyalty programs and administrative systems. We also maintain physical facilities to support these systems and related services. Any natural disaster, disruption or other impairment in our technology capabilities and service facilities or those of our third-

party service providers could result in financial losses, customer claims, litigation or damage to our reputation, or otherwise harm our business. In addition, any failure of our ability to provide our reservation systems, as a result of failures related to us or our third-party providers, may deter prospective franchisees, hotel, or resort owners from entering into agreements with us, and may expose us to liability from existing franchisees or other parties with whom we have contracted to provide reservation services. Similarly, failure to keep pace with developments in technology could impair our operations or competitive position.

We are subject to risks related to corporate social responsibility.

Many factors influence our reputation and the value of our brands including the perception held by our customers, franchisees and other key stakeholders and the communities in which we do business. Our business faces increasing scrutiny related to environmental, social and governance activities and risk of damage to our reputation and the value of our brands if we fail to act responsibly or comply with regulatory requirements in a number of areas, such as safety and security, responsible tourism, environmental stewardship, supply chain management, climate change, diversity, human rights and modern slavery, philanthropy and support for local communities.

The trading price of our shares of common stock may fluctuate.

The trading price of our common stock may fluctuate depending upon many factors some of which may be beyond our control including our quarterly or annual earnings or those of other companies in our industry; actual or anticipated fluctuations in our operating results due to seasonality and other factors related to our business; the planned spin-off of our hotel and resort business as well as our ability or perceived ability to realize the benefits of the planned spin-off; our credit ratings, including the impact of the planned spin-off on such ratings; changes in accounting principles or rules; announcements by us or our competitors of significant acquisitions or dispositions; the lack of securities analysts covering our common stock; changes in earnings estimates by securities analysts or our ability to meet those estimates; the operating and stock price performance of 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.

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 have and expect will be granted over time to our Directors and employees. In addition, our Board of Directors (“Board”) may issue shares of our common and preferred stock and debt securities convertible into shares of our common and preferred stock up to certain regulatory thresholds without shareholder approval.

Provisions in our certificate of incorporation and by-laws and under Delaware law may prevent or delay an acquisition of Wyndham Worldwide which could impact the trading price of our common stock.

Our certificate of incorporation and 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 and to encourage prospective acquirers to negotiate with our Board rather than to attempt a hostile takeover. These provisions include that shareholders do not have the right to act by written consent, rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings, the right of our Board to issue preferred stock without shareholder approval and limitations on the right of shareholders to remove directors. Delaware law also imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock.

We cannot provide assurance that we will continue to pay dividends or purchase shares of our common stock under our stock repurchase program.

There can be no assurance that we will have sufficient cash or surplus under Delaware law to be able to continue to pay dividends or purchase shares of our common stock under our stock repurchase program. This may result from extraordinary cash expenses, actual expenses exceeding contemplated costs, funding of capital expenditures, increases in reserves or lack of available capital. Our Board may also suspend the payment of dividends or our stock repurchase program if the Board deems such action to be in the best interests of our shareholders. If we do not pay dividends, the price of our common stock must appreciate for you to realize a gain on your investment in Wyndham Worldwide. This appreciation may not occur and our stock may in fact depreciate in value.

We are responsible for certain of Cendant's contingent and other corporate liabilities.

Under the separation agreement and the tax sharing agreement that we executed with Cendant (now Avis Budget Group) and former Cendant units, Realogy and Travelport, we and Realogy generally are responsible for 37.5% and 62.5%, respectively, of certain of Cendant's contingent and other corporate liabilities and associated costs including certain contingent and other corporate liabilities of Cendant or its subsidiaries to the extent incurred on or prior to August 23, 2006. These liabilities include those relating to certain of Cendant's terminated or divested businesses, the Travelport sale, certain Cendant-related litigation, actions with respect to the separation plan and payments under certain contracts that were not allocated to any specific party in connection with the separation.

If any party responsible for the liabilities described above were to default on its obligations, each non-defaulting party would be required to pay an equal portion of the amounts in default. Accordingly, we could under certain circumstances be obligated to pay amounts in excess of our share of the assumed obligations related to such liabilities including associated costs.

Changes to estimates or projections used to assess the fair value of our assets or operating results that are lower than our current estimates may cause us to incur impairment losses and require us to write-off all or a portion of the remaining value of our goodwill or other intangibles of companies we have acquired.

Our total assets include goodwill and other intangible assets. We evaluate our goodwill for impairment on an annual basis or at other times during the year if events or circumstances indicate that it is more likely than not that the fair value is below the carrying value. We may be required to record a significant non-cash impairment charge in our financial statements during the period in which any impairment of our goodwill, other intangible assets or other assets is determined, negatively impacting our results of operations and shareholders' equity.

Risks Related to our Proposed Spin-Off

The proposed spin-off of our hotel business is subject to various risks, uncertainties and conditions and as a result may not be completed in accordance with the expected plan or at all, and could have a material adverse effect on us whether or not the spin-off is completed.

On August 2, 2017, we announced our plan to pursue the separation of our business into two separate, publicly-traded companies through a spin-off of our hotel business. The proposed spin-off is subject to final Board approval of the terms of the transaction, which approval may be given or withheld in its absolute and sole discretion, and other customary conditions, including, among other things, the receipt of tax opinions from the spin-off tax advisors concerning the tax-free nature of the transaction for U.S. federal income tax purposes, the effectiveness of a Form 10 registration statement filed with the SEC, approval of listing of the hotel business common stock on the stock exchange chosen for the listing of such common stock, opinions from a nationally recognized valuation firm as to the capital adequacy and solvency of both us and the hotel business being spun off after giving effect to the spin-off and the adequate surplus of the Company to declare the spin-off distribution, and the entry into adequate financing transactions in connection with the spin-off. Our plan to complete the spin-off is also based on and subject to our ability to complete all of the transactions contemplated by the spin-off, changes or other unexpected developments in the competitive marketplace, and changes and uncertainty in the financial, lending or equity markets. For these and other reasons, there can be no assurance that the spin-off will be completed within the anticipated time period or at all, or on terms that are the same or as favorable as the terms currently contemplated.

While we are pursuing the spin-off, and whether or not the transaction is completed, our ongoing businesses may be adversely affected, including as a result of one or more of the following: the proposed spin-off has required significant time and attention of management, which may distract them from the normal operation of our business and from pursuing or executing existing or future initiatives or other opportunities to drive our business; the proposed spin-off may cause uncertainty among our key employees concerning their future with us or with the spin-off company, leading to potential significant distraction, as well as potentially making it more difficult to attract, retain or motivate key employees during the pendency of the spin-off and following its planned completion; the proposed spin-off could result in disruptions to and potentially adversely impact our relationships with our suppliers, customers and others with whom we do business; the proposed spin-off has to date been time-consuming and has involved significant costs to us, which may be considerably higher than we anticipated and may not yield a benefit if the spin-off is not completed; the proposed spin-off may have an adverse impact on our credit ratings; challenges in separating our businesses, including separating the infrastructure, processes and personnel of these businesses, may result in delays and additional costs in achieving the completion of the proposed separation; implementation of and changes in the new senior management teams at these businesses may distract from the normal operation of business, could cause uncertainty among employees or otherwise adversely impact our ongoing businesses; and the investment community's perception of us and

the trading price of our common stock could be negatively impacted if the spin-off is not completed within the anticipated time period or at all.

The completion of the proposed spin-off may not achieve some or all of the benefits expected from the separation of these businesses.

Even if the spin-off is completed, we may not realize some or all of the anticipated benefits from the separation of our businesses, and the spin-off may adversely affect our business. Separating the businesses will result in two independent, publicly traded companies, each of which will be a smaller, less diversified and more narrowly focused business than Wyndham Worldwide, making the companies more vulnerable to changing market and economic conditions and the risk of takeover by third parties. Operating as smaller, independent entities may reduce or eliminate some of the benefits and synergies which currently exist across our business platforms at Wyndham Worldwide, including our operating diversity, purchasing and borrowing leverage, available capital for investments, partnerships and relationships and opportunities to pursue integrated strategies with the businesses within Wyndham Worldwide and ability to attract, retain and motivate key employees. In addition, as a smaller company, our ability to absorb costs may be negatively impacted, including the significant one-time cost of this spin-off transaction which will be allocated to us as the remaining company, and we may be unable to obtain financings, goods or services at prices or on terms as favorable as those obtained by Wyndham Worldwide prior to the separation. Any of these factors could have a material adverse effect on our business, financial condition, results of operations, cash flows, business prospects and the trading price of our common stock. By separating our hotel business from Wyndham Worldwide, we also may be more susceptible to market fluctuations and other adverse events than we would be if we did not spin-off the hotel business. If we fail to achieve some or all of the benefits that we expect to achieve as a result of the spin-off, or do not achieve them in the time we expect, our results of operations and financial condition could be materially adversely affected.

If the proposed spin-off of our hotel business is completed, the trading price of our common stock will decline.

The trading price of our common stock immediately following the spin-off of our hotel business is expected to be significantly lower than immediately prior to the spin-off because the value of our common stock will no longer reflect the spun-off business. There also can be no assurance that the combined value of our common stock and the value of the common stock of the spun-off business following the completion of the spin-off will be equal to or greater than the value of our common stock had we not separated the businesses pursuant to the spin-off.

The spin-off and related transactions may expose us to potential liabilities arising out of state and federal fraudulent conveyance laws and legal distribution requirements.

While we will receive a solvency opinion from an investment bank confirming that we and the hotel business being spun off will be adequately capitalized immediately after the spin-off, the spin-off could be challenged under various state and federal fraudulent conveyance laws. An unpaid creditor could claim that Wyndham Worldwide did not receive fair consideration or reasonably equivalent value in the spin-off, and that the spin-off left Wyndham Worldwide insolvent or with unreasonably small capital or that Wyndham Worldwide intended or believed it would incur debts beyond its ability to pay such debts as they mature. If a court were to agree with such a plaintiff, then such court could void the spin-off as a fraudulent transfer and could impose a number of different remedies, including without limitation, returning the assets or the shares of common stock in the hotel business being distributed as part of the spin-off or providing Wyndham Worldwide with a claim for money damages against the spun-off business in an amount equal to the difference between the consideration received by Wyndham Worldwide and the fair market value of the spun-off business at the time of the spin-off.

Certain directors who serve on our Board of Directors will serve as directors of the hotel business at and following the spin-off, and ownership of shares of common stock of the hotel business at and following the spin-off by our directors and executive officers may create, or appear to create, conflicts of interest.

Certain of our directors who serve on our Board of Directors are expected to serve on the board of directors of the hotel business being spun-off. This may create, or appear to create, conflicts of interest when our or the hotel business's management and directors face decisions that could have different implications for us and the hotel business, including the resolution of any dispute regarding the terms of the agreements governing the spin-off and the relationship between us and the hotel business after the spin-off or any other commercial agreements entered into in the future between us and the hotel business.

Substantially all of our executive officers and some or all of our non-employee directors will own shares of the common stock of the hotel business being spun off. The continued ownership of such common stock by our directors and executive officers following the spin-off creates or may create the appearance of a conflict of interest when these directors and executive officers are faced with decisions that could have different implications for us and the hotel business.

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 Internal Revenue Code of 1986, as amended (Code), then our shareholders, we and the hotel business being spun-off might be required to pay substantial U.S. federal income taxes.

The distribution is conditioned upon our receipt of opinions of our spin-off tax advisors, to the effect 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 in which no gain or loss is recognized by us or our shareholders, except, in the case of our shareholders, for cash received in lieu of fractional shares. The opinions of our spin-off tax advisors will be based on, among other things, certain assumptions as well as on the continuing accuracy of certain factual representations and statements that we and the hotel business will make to the spin-off tax advisors. In rendering their opinions, the spin-off tax advisors will also rely on certain covenants that we and the hotel business enter into, including the adherence by us and by the hotel business to certain restrictions on future actions to be contained in a tax matters agreement. If any of the representations or statements that we or the hotel business make are or become inaccurate or incomplete, or if we or the hotel business breach any of such covenants, the distribution and such related transactions might not qualify for such tax treatment. The opinions of the spin-off tax advisors are 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 eligible for tax-free treatment, or that any such challenge ultimately will not prevail.

In addition, we have requested a private letter ruling from the IRS Ruling regarding certain U.S. federal income tax aspects of transactions related to the spin-off (IRS Ruling). Although the IRS Ruling generally will be binding on the IRS, the continued validity of the IRS Ruling will be based upon and subject to the continuing accuracy of factual statements and representations made to the IRS by us. In addition, there is a risk that the IRS could promulgate new administrative guidance prior to the spin-off that could adversely impact the tax-free treatment of the distribution (even taking into account the receipt of the IRS Ruling). The IRS Ruling will be limited to specified aspects of the spin-off under Sections 355 and 361 of the Code and will not represent a determination by the IRS that all of the requirements necessary to obtain tax-free treatment to holders of Wyndham Worldwide common stock and to Wyndham Worldwide have been satisfied.

If the distribution does not qualify as a tax-free transaction for any reason, including as a result of a breach of a representation or covenant, we would recognize a substantial gain attributable to the hotel business for U.S. federal income tax purposes. In such case, under U.S. Treasury regulations, each member of the Wyndham Worldwide consolidated group at the time of the spin-off (including the hotel business) would be jointly and severally liable for the entire resulting amount of any U.S. federal income tax liability. Additionally, if the distribution of the common stock of the spun-off business does not qualify as tax-free under Section 355 of the Code, Wyndham Worldwide shareholders will be treated as having received a taxable distribution equal to the value of the stock distributed, treated as a taxable dividend to the extent of Wyndham Worldwide’s current and accumulated earnings and profits, and then would have a tax-free basis recovery up to the amount of their tax basis in their shares, and then would have taxable gain from the sale or exchange of the shares to the extent of any excess.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Wyndham Corporate

Our corporate headquarters is located in a leased office at 22 Sylvan Way in Parsippany, New Jersey, which lease expires in 2029. We also have a leased office in Virginia Beach, Virginia for our Associate Service Center, which lease expires in 2019.

Wyndham Hotel Group

The main corporate operations of our hotel group business share office space in our corporate headquarters leased in Parsippany, New Jersey. Our hotel group business also leases space for its reservations centers and/or data warehouses in Phoenix, Arizona and Saint John, New Brunswick, Canada pursuant to leases that expire in 2020. Our hotel group business does not intend to renew the lease in Phoenix, Arizona since the business is migrating a substantial portion of its data center activities to the cloud. In addition, our hotel group business has thirteen leases for office space in various countries outside the United States with varying expiration dates ranging between 2018 and 2021. Our hotel group business also has three leases for office space within the United States with varying expiration dates ranging between 2018 and 2020. All leases that are due to expire in 2018 are presently under review related to our ongoing requirements.

Wyndham Destination Network

Our destination network business has its main corporate operations in a leased office in Parsippany, New Jersey, which lease expires in 2029. Our destination network business also owns 22 properties, of which 19 are located in the United States, one in the United Kingdom, one in Canada and one in Mexico. It also has 110 leased offices, of which 84 are located in North America, nine in Europe, nine in Latin America, five in Asia Pacific and three in Africa. Such leases have expiration dates between 2018 through 2035. All leases that are due to expire in 2018 are presently under review related to our ongoing requirements.

Wyndham Vacation Ownership

Our vacation ownership business has its main corporate operations in Orlando, Florida pursuant to several leases, which begin to expire in 2025. Our vacation ownership business also has leased spaces in Redmond, Washington; Springfield, Missouri; Chicago, Illinois; Las Vegas, Nevada; and Bundall, Australia with various expiration dates. Our vacation ownership business leases space for administrative functions in Las Vegas, Nevada that expires in 2028 and in Northbrook, Illinois that expires in 2020. In addition, our vacation ownership business leases approximately 152 marketing and sales offices, of which, approximately 126 are located throughout the United States, sixteen are located in Australia, four are located in the Caribbean, three are located in Mexico, one is located in Fiji, one is located in New Zealand and one is located in Thailand. All leases that are due to expire in 2018 are presently under review related to our ongoing requirements.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various claims and lawsuits arising in the ordinary course of business, none of which, in the opinion of management, is expected to have a material adverse effect on our results of operations or financial condition. See Note 18 - Commitments and Contingencies to the Consolidated Financial Statements for a description of claims and legal actions arising in the ordinary course of our business and Note 26 - Cendant Separation and Transactions with Former Parent and Subsidiaries to the Consolidated Financial Statements for a description of our obligations regarding Cendant contingent litigation.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price of Common Stock

Our common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "WYN". As of January 31, 2018, the number of stockholders of record was 5,157. The following table sets forth the quarterly high and low closing sales prices per share of WYN common stock as reported by the NYSE for the years ended December 31, 2017 and 2016.

2017	High	Low
First Quarter	$ 85.79	$ 75.93
Second Quarter	105.27	84.00
Third Quarter	105.41	96.15
Fourth Quarter	116.66	104.32

2016	High	Low
First Quarter	$ 80.79	$ 61.63
Second Quarter	78.00	65.40
Third Quarter	77.22	66.81
Fourth Quarter	77.88	63.32

Dividend Policy

During 2017 and 2016, we paid a quarterly dividend of$0.58 and $0.50, respectively, per share of common stock issued and outstanding on the record date for the applicable dividend. During February 2018, our Board of Directors ("Board") authorized an increase of our quarterly dividend to $0.66 per share beginning with the dividend expected to be declared during the first quarter of 2018. Our dividend policy for the future is to grow our dividend at least at the rate of growth of our earnings. We do, however, expect to reduce the quarterly dividends we pay to our shareholders if the spin-off of our hotel business occurs. The declaration and payment of future dividends to holders of our common stock are at the discretion of our Board and depend upon many factors, including our financial condition, earnings, capital requirements of our business, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors that our Board deems relevant. The declaration and payment of dividends to holders of the common stock of our hotel business will be at the discretion of the board of directors of the hotel business following the spin-off. There can be no assurance that a payment of a dividend will occur in the future.

Issuer Purchases of Equity Securities

Below is a summary of our Wyndham Worldwide common stock repurchases by month for the quarter ended December 31, 2017:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Publicly Announced Plan
October 2017	473,617	$ 107.31	473,617	$ 1,239,595,836
November 2017	388,994	108.75	388,994	1,197,292,387
December 2017*	504,755	113.65	504,755	1,139,925,587
Total*	**1,367,366**	**$ 110.06**	**1,367,366**	**$ 1,139,925,587**

* Includes 72,200 shares purchased for which the trade date occurred during December 2017 while settlement occurred during January 2018.

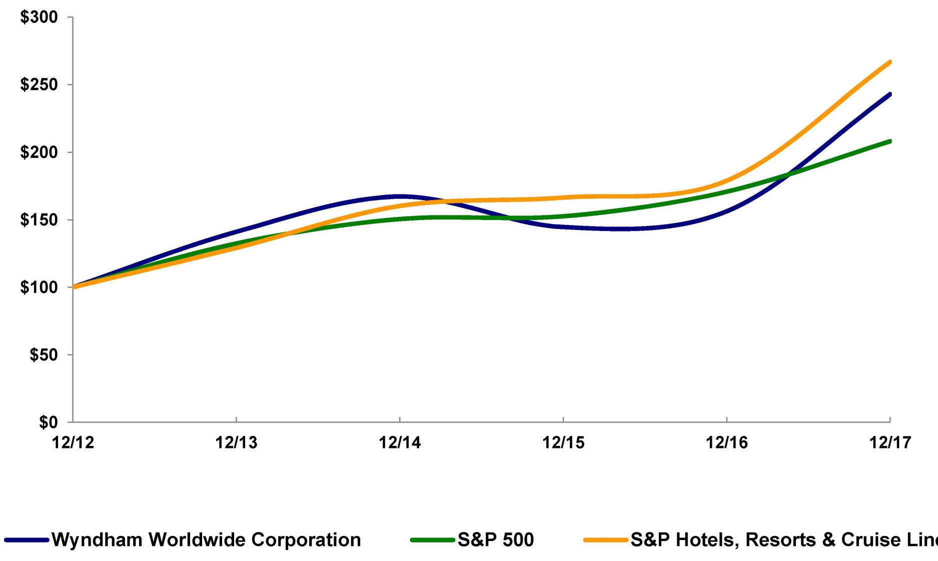
On August 20, 2007, our Board authorized our current stock repurchase program that enables us to purchase our common stock. The Board has since increased the capacity of the program eight times, most recently on October 23, 2017 by $1.0 billion, bringing the total authorization under the program to $6.0 billion. Under our current and prior stock repurchase plans, the total authorization is $6.8 billion.

Table of Contents

Stock Performance Graph

The Stock Performance Graph is not deemed filed with the SEC and shall not be deemed incorporated by reference into any of our prior or future filings made with the SEC.

The following line graph compares the cumulative total stockholder return of our common stock against the S&P 500 Index and the S&P Hotels, Resorts & Cruise Lines Index (consisting of Carnival Corporation, Marriott International Inc., Norwegian Cruise Line Holdings Ltd., Royal Caribbean Cruises Ltd. and Wyndham Worldwide Corporation) for the period from December 31, 2012 to December 31, 2017. The graph assumes that $100 was invested onDecember 31, 2012 and all dividends and other distributions were reinvested.



*$100 invested on 12/31/12 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

Cumulative Total Return

	12/12	12/13	12/14	12/15	12/16	12/17
Wyndham Worldwide Corporation	100.00	141.05	167.16	144.56	156.25	242.85
S&P 500	100.00	132.39	150.51	152.59	170.84	208.14
S&P Hotels, Resorts & Cruise Lines	100.00	129.14	160.21	166.40	178.92	266.74

ITEM 6. SELECTED FINANCIAL DATA

	As of or For the Year Ended December 31,				
	2017	2016	2015	2014	2013
Income Statement Data (in millions):					
Net revenues	$ 5,076	$ 4,926	$ 4,878	$ 4,541	$ 4,339
Expenses:					
Operating and other [(a)]	3,890	3,736	3,743	3,467	3,322
Impairment	246	—	7	14	8
Restructuring	15	14	6	11	10
Depreciation and amortization	213	202	187	181	168
Operating income	712	974	935	868	831
Other income, net	(27)	(21)	(16)	(7)	(6)
Interest expense	156	133	122	109	126
Early extinguishment of debt expense	—	11	—	—	111
Interest income	(7)	(7)	(8)	(9)	(8)
Income before income taxes	590	858	837	775	608
(Benefit)/provision for income taxes	(229)	313	285	294	231
Income from continuing operations	819	545	552	481	377
Income from discontinued operations, net of income taxes	53	67	60	48	56
Net income	872	612	612	529	433
Net income attributable to noncontrolling interest	(1)	(1)	—	—	(1)
Net income attributable to Wyndham shareholders	$ 871	$ 611	$ 612	$ 529	$ 432
Per Share Data					
Basic Earnings Per Share					
Continuing operations	$ 7.94	$ 4.96	$ 4.67	$ 3.84	$ 2.83
Discontinued operations	0.52	0.60	0.51	0.38	0.42
	$ 8.46	$ 5.56	$ 5.18	$ 4.22	$ 3.25
Weighted average shares outstanding (in millions)	103.0	109.9	118.0	125.3	133.0
Diluted Earnings Per Share					
Continuing operations	$ 7.89	$ 4.93	$ 4.63	$ 3.80	$ 2.80
Discontinued operations	0.51	0.60	0.51	0.38	0.41
	$ 8.40	$ 5.53	$ 5.14	$ 4.18	$ 3.21
Weighted average shares outstanding (in millions)	103.7	110.6	119.0	126.6	134.7
Dividends					
Cash dividends declared per share	$ 2.32	$ 2.00	$ 1.68	$ 1.40	$ 1.16
Balance Sheet Data (in millions):					
Securitized assets [(b)]	$ 2,680	$ 2,601	$ 2,576	$ 2,629	$ 2,314
Total assets [(c)]	10,403	9,819	9,591	9,568	9,641
Securitized debt [(c)]	2,098	2,141	2,106	2,139	1,886
Long-term debt [(c)]	3,909	3,300	3,003	2,800	2,825
Total equity	883	718	953	1,257	1,625
Operating Statistics: [(d)]					
Hotel Group					
Number of rooms	728,200	697,600	678,000	660,800	645,400
RevPAR	$ 37.63	$ 36.67	$ 37.26	$ 37.57	$ 36.00
Destination Network					
Average number of members (in 000s)	3,799	3,852	3,831	3,765	3,698
Exchange revenue per member	$ 172.25	$ 167.48	$ 169.29	$ 177.12	$ 181.02
Vacation Ownership					
Gross Vacation Ownership Interest ("VOI") sales (in 000s)	$ 2,144,000	$ 2,012,000	$ 1,965,000	$ 1,889,000	$ 1,889,000
Tours (in 000s)	869	819	801	794	789
Volume Per Guest ("VPG")	$ 2,345	$ 2,324	$ 2,326	$ 2,257	$ 2,281

(a) Includes operating, cost of VOIs, consumer financing interest, marketing and reservation, general and administrative expenses and separation and related costs.

(b) Represents the portion of gross vacation ownership contract receivables, securitization restricted cash and related assets that collateralize our securitized debt. Refer to Note 15 - Variable Interest Entities to the Consolidated Financial Statements.

(c) Reflects the impact of the adoption of the new accounting standards related to the balance sheet classification of deferred taxes and the presentation of debt issuance costs during 2016. See Note 2 - Summary of Significant Accounting Policies to the Consolidated Financial Statements for additional information regarding the adoption of this guidance. Excludes liabilities of discontinued operations for all periods presented.

(d) The impact from acquisitions has been included from the acquisition dates forward.

In presenting the financial data above in conformity with generally 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,” for a detailed discussion of the accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

ACQUISITIONS

Between January 1, 2013 and December 31, 2017, we completed a number of acquisitions. The results of operations and financial position of such acquisitions have been included beginning from the relevant acquisition dates. Below is a list of our primary acquisitions during that period (not intended to be a complete list):

- AmericInn (October 2017)
- DAE Global Pty Ltd (October 2017)
- Love Home Swap (July 2017)
- Fen Hotels (November 2016)
- ResortQuest Whistler (July 2015)
- Vacation Palm Springs (June 2015)
- Sea Pearl Resorts (April 2015)
- Dolce Hotels and Resorts (January 2015)
- Raintree Vacation Club (5 Properties) (November 2014)
- Shoal Bay Resort (March 2014)
- Hatteras Realty, Inc. (January 2014)
- Midtown 45, NYC Property (January 2013)

In January 2018, we entered into an agreement with La Quinta Holdings Inc. to acquire its hotel franchising and management businesses for $1.95 billion in cash

See Note 5 - Acquisitions to the Consolidated Financial Statements for a discussion of acquisitions completed during2017, 2016 and 2015.

DISCONTINUED OPERATIONS

During the third quarter of 2017, we decided to explore strategic alternatives for our European vacation rentals business, which was previously part of our Wyndham Destination Network segment, and in the fourth quarter of 2017, we commenced activities to facilitate the sale of this business. As a result, for all periods presented, we have classified the results of operations for our European vacation rentals business as discontinued operations in the Consolidated Statements of Income and classified the related assets and liabilities associated with this business as held for sale in the Consolidated Balance Sheets. All results and information presented exclude our European vacation rentals business unless otherwise noted (see Note 3 - Discontinued Operations in the Notes to Consolidated Financial Statements).

IMPAIRMENT & RESTRUCTURING CHARGES

During 2017, we recorded $246 million of non-cash impairment charges primarily related to a write-down of undeveloped VOI land and a write-down of VOI inventory and property and equipment in the Saint Thomas, U.S. Virgin Islands resulting from the impact of the third quarter 2017 hurricanes in our vacation ownership business, and a write-down of intangibles and certain other assets in our hotel group business.

Additionally in 2017, we recorded $15 million of charges related to restructuring initiatives, primarily focused on enhancing organizational efficiency and rationalizing operations in our sourcing function, outsourcing certain information technology functions and realigning brand operations.

During 2016, we recorded $14 million of charges related to restructuring initiatives, primarily focused on enhancing organizational efficiency and rationalizing existing facilities which included the closure of vacation ownership sales offices.

During 2015, we recorded $6 million of charges related to restructuring initiatives resulting from a realignment of brand services and call center operations within our hotel group business, a rationalization of international operations within our destination network business and a reorganization of the sales function within our vacation ownership business.

Additionally in 2015, we recorded a $7 million non-cash impairment charge at our hotel group business related to the write-down of terminated in-process technology projects resulting from the decision to outsource our reservation system to a third-party partner.

During 2014, we recorded $12 million of charges related to restructuring initiatives at our destination network and hotel group businesses targeted at improving the alignment of the organizational structure of each business with their strategic objectives. In addition, we reversed $1 million of previously recorded contract termination costs related to our 2013 organizational realignment initiative.

Additionally in 2014, we recorded a $7 million non-cash charge at our destination network business related to the write-down of an equity investment which was the result of a reduction in the fair value of an entity in which we had a minority ownership position. We also recorded an $8 million non-cash charge at our hotel group business related to the write-down of an investment in a joint venture, which was the result of the joint venture’s recurring losses and negative operating cash flows.

During 2013, we recorded $10 million of charges related to restructuring initiatives, of which, $9 million was related to an organizational realignment initiative in our hotel group business, primarily focused on optimizing its marketing structure. In addition, we recorded $8 million of non-cash impairment charges at our hotel group business primarily related to a partial write-down of our Hawthorn trademark due to lower than anticipated growth in the brand.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS AND OVERVIEW

We are a global provider of hospitality services and products and operate our business in the following three segments:

- **Hotel Group**—primarily franchises hotels in the upscale, upper midscale, midscale, economy and extended stay segments and provides hotel management services for full-service and select limited-service hotels.
- **Destination Network**—provides vacation exchange services and products to owners of vacation ownership interests ("VOIs") and manages and markets vacation rental properties primarily on behalf of independent owners.
- **Vacation Ownership**—develops, markets and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts.

Hotel Business Spin-off

During the third quarter of 2017, we announced our intent to spin-off our hotel business, which will result in our operations being held by two separate, publicly traded companies. The two public companies intend to enter into long-term exclusive license agreements to retain their affiliations with one of the industry's top-rated loyalty programs, Wyndham Rewards, as well as to continue to collaborate on inventory-sharing and customer cross-sell initiatives. The transaction is expected to result in enhanced strategic and management focus on the core business and growth of each company; more efficient capital allocation, direct access to capital and expanded growth opportunities for each company; the ability to implement a tailored approach to recruiting and retaining employees at each company; improved investor understanding of the business strategy and operating results of each company; and enhanced investor choice by offering investment opportunities in separate entities. The transaction will be effected through a pro rata distribution of the new hotel entity's stock to existing Wyndham Worldwide shareholders and is expected to be completed in the second quarter of 2018.

In conjunction with the spin-off of our hotel business, we expect to incur significant one-time separation-related costs, including debt issuance, legal, accounting, commercial and investment banking, retention and severance expenses, non-cash charges relating to modifications of incentive equity awards and other costs relating to the internal reorganization. We expect that, pursuant to the separation and distribution agreement for the spin-off, these costs and expenses will be borne primarily by Wyndham Worldwide, with a portion of financing-related and employee-related costs being borne by the hotel spin-off business.

Discontinued Operations

During 2017, we decided to explore strategic alternatives for our European vacation rentals business, and in late 2017, we commenced activities to facilitate the sale of this business. As a result, we have classified the results of operations of our European vacation rentals business as discontinued operations in the Consolidated Statements of Income for all periods presented and classified the related assets and liabilities associated with the discontinued operations as held for sale in the Consolidated Balance Sheets. All results and information presented exclude our European vacation rentals business unless otherwise noted (see Note 3 - Discontinued Operations to the Consolidated Financial Statements).

On February 15, 2018, we entered into an agreement for the sale of our European vacation rentals business for approximately $1.3 billion. In conjunction with the sale, the European vacation rentals business will also enter into a 20-year agreement under which it will pay a royalty fee of 1% of net revenue to Wyndham's hotel business for the right to use the by "Wyndham Vacation Rentals" endorser brand. In addition, the European vacation rentals business will also participate as a redemption partner in the Wyndham Rewards loyalty program. We have also agreed to provide certain post-closing credit support in order to ensure that the buyer meets the requirements of certain service providers and regulatory authorities. The agreement is subject to certain closing conditions and regulatory approval and is expected to be completed in the second quarter of 2018.

Tax Cuts and Jobs Act

As discussed in further detail in Note 8 - Income Taxes to the Consolidated Financial Statements, on December 22, 2017 the United States enacted the Tax Cuts and Jobs Act. The new law, which is also commonly referred to as "U.S. tax reform", significantly changes U.S. corporate income tax laws by, among other changes, imposing a one-time mandatory tax on previously deferred earnings of foreign subsidiaries, reducing the U.S. corporate income tax rate from 35% to 21% starting on January 1, 2018, creating a territorial tax system which generally eliminates U.S. federal income taxes on dividends from foreign subsidiaries, eliminating or limiting the deduction of certain expenses, and requiring a minimum tax on earnings

generated by foreign subsidiaries, could have a significant impact on our effective tax rate, cash tax expenses and/or deferred income tax balances.

Planned Acquisition of La Quinta

In January 2018, we entered into an agreement with La Quinta Holdings Inc. to acquire its hotel franchising and management businesses for $1.95 billion in cash. The La Quinta brand is one of the largest midscale brands in the hotel industry, with 894 hotels (576 third-party franchised and 318 managed) in the United States, Mexico, Canada, Honduras and Colombia. The acquisition is expected to close in the second quarter of 2018, prior to the spin-off of our hotel business.

With the acquisition of La Quinta's asset-light, fee-based hotel management and franchising businesses, our hotel group will span 21 brands and over 9,000 hotels across more than 75 countries. In addition to adding nearly 900 hotels to the world's largest hotel network, the acquisition of La Quinta will strengthen our hotel group's position in the midscale and upper midscale segments of the hotel industry, which has been and continues to be one of our strategic priorities. Following the acquisition, our hotel group will have the largest number of midscale and economy brands in the industry. We also expect to leverage our development capabilities to further grow the La Quinta brand in the United States and across Latin America, where we already have nearly 200 franchised properties. The transaction will also expand our managed hotel network by nearly 250%, from 115 hotels today to more than 400 properties, making our hotel group one of the ten largest hotel management companies in the United States. Hotel management represents an attractive expansion opportunity to grow our asset-light business and further penetrate the midscale and higher segments.

The La Quinta Returns loyalty program, with its 13 million enrolled members, will be combined with the award-winning Wyndham Rewards loyalty program, with approximately 55 million enrolled members.

RESULTS OF OPERATIONS

Hotel Group

In our franchising business, we seek to generate revenues for our hotel owners through our strong, well-known brands and the delivery of services such as marketing, information technology, revenue management, training, operations support, strategic sourcing and guest services.

We enter into agreements to franchise our hotel group brands to independent hotel owners. Our standard franchise agreement typically has a term of 10 to 20 years and provides a franchisee with certain rights to terminate the franchise agreement before the end of the agreement under certain circumstances. The principal source of revenues from franchising hotels is ongoing royalty fees. Royalty fees are typically a percentage of gross room revenues of each franchised hotel. 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. These fees are recognized as revenue upon becoming due from the franchisee. An estimate of uncollectible ongoing royalty fees is charged to bad debt expense and included in operating expenses on the Consolidated Statements of Income. Revenues also include initial franchise fees, which are recognized as revenues when all material services or conditions have been substantially performed, which is either when a franchised hotel opens for business or when a franchise agreement is terminated after it has been determined that the franchised hotel will not open.

Our franchise agreements also require the payment of marketing and reservation fees, which are intended to reimburse us for expenses associated with operating an international, centralized, brand-specific reservations system, e-commerce channels such as our brand.com websites, as well as access to third-party distribution channels, such as online travel agents, advertising and marketing programs, global sales efforts, operations support, training and other related services. These fees are recognized as revenue upon becoming due from the franchisee. An estimate of uncollectible ongoing marketing and reservation fees is charged to bad debt expense and included within marketing and reservation expenses on the Consolidated Statements of Income.

Generally, 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 earned are expensed as incurred. In accordance with our franchise agreements, we include an allocation of costs required to carry out marketing and reservation activities within marketing and reservation expenses.

We also earn revenues from the Wyndham Rewards loyalty program when a member stays at a participating hotel. These revenues are derived from a fee we charge based upon a percentage of room revenues generated from such member stays. These fees are to reimburse us for expenses associated with member redemptions and activities that are related to the overall administering and marketing of the program. These fees are recognized as revenue upon becoming due from the franchisee. Since we are obligated to expend the fees we collect from franchisees, revenues earned in excess of costs incurred are accrued as a liability for future costs to support the program. In addition, we earn revenue from our co-branded Wyndham Rewards credit card program which is primarily generated by cardholder spending and the enrollment of new cardholders. The advance payments we receive under our co-branded credit program are deferred and recognized as earned over the term of the arrangement.

Other service fees we derive from providing ancillary services to franchisees are primarily recognized as revenue upon completion of services. The majority of these fees are intended to reimburse us for direct expenses associated with providing these services.

We also provide management services for hotels under management contracts, which offer all the benefits of a global brand and a full range of management, marketing and reservation services. In addition to the standard franchise services described above, our hotel management business provides hotel owners with professional oversight and comprehensive operations support services such as hiring, training and supervising the managers and employees that operate the hotels as well as annual budget preparation, financial analysis and extensive food and beverage services. Our standard management agreement typically has a term of up to 25 years. Our management fees are comprised of base fees, which are typically a specified percentage of gross revenues from hotel operations, and incentive fees, which are typically a specified percentage of a hotel's gross operating profit. Management fee revenues are recognized as the services are performed and when the earnings process is complete and recorded as a component of franchise fee revenues on the Consolidated Statements of Income. We incur certain reimbursable costs on behalf of managed hotel properties and report reimbursements received from managed hotels as revenues and the costs incurred on their behalf as expenses. Such reimbursable revenues are recorded as a component of service and membership fees on the Consolidated Statements of Income. The reimbursable costs, which principally relate to payroll costs for operational employees at the managed hotels, are reflected as a component of operating expenses on the Consolidated 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 no effect on our operating income. Management fee revenues and reimbursable revenues were $25 million and $264 million, respectively, during 2017, $22 million and $271 million, respectively, during 2016 and $23 million and $273 million, respectively, during 2015.

We currently own two hotels in locations where we have developed timeshare units. Revenues earned from our owned hotels are comprised of (i) gross room night rentals, (ii) food and beverage services and (iii) on-site spa, casino, golf and shop revenues. We are responsible for all the operations of the hotels and recognize all revenues and expenses of these hotels.

Within our Hotel Group segment, we measure operating performance using the following key operating statistics: (i) number of rooms, which represents the number of rooms at hotel group properties at the end of the year, and (ii) revenue per available room (RevPAR), which is calculated by multiplying the percentage of available rooms occupied during the year by the average rate charged for renting a hotel room for one day.

Destination Network

As a provider of vacation exchange services, we enter into affiliation agreements with developers of vacation ownership properties to allow owners of VOIs to trade their intervals for intervals at other properties affiliated with our RCI brand and, for some members, for other leisure-related services and products. 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 RCI brand derives a majority of its revenues from annual membership dues and exchange fees from RCI members trading their intervals. Revenues from annual membership dues represent the annual fees from RCI members who, for additional fees, have the right to exchange their intervals for intervals at other properties affiliated with our exchange network and, for certain members, for other leisure-related services and products. We recognize revenues from annual membership dues 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 intervals at other properties affiliated with our exchange network or for other leisure-related services and products. We also offer other exchange-related products that provide RCI members the ability to (i) protect trading power or points, (ii) extend the life of deposits and (iii) combine two or more deposits for the opportunity to exchange into intervals with higher trading power. Exchange fees and

other exchange related product fees are recognized as revenues, net of expected cancellations, when these transactions have been confirmed to the member.

Our vacation rental brands derive revenue from fees associated with the rental of vacation rental properties on behalf of independent owners. We remit the rental fee received from the renter to the independent owner, net of our agreed-upon fee. The revenue from such fees, net of expected refunds, is recognized ratably over the renter's stay, which is the period over which the service is rendered. Our vacation rental brands also derive revenues from additional services delivered to independent owners, vacation rental guests and property owner associations that are generally recognized at a point in time when the service is delivered.

Within our Destination Network segment, we measure operating performance using the following key operating statistics: (i) average number of vacation exchange members, which represents members in our vacation exchange programs who pay annual membership dues and are entitled, for additional fees, to exchange their intervals for intervals at other properties affiliated with our exchange network and, for certain members, for other leisure-related services and products and (ii) exchange revenue per member, which represents total revenue from fees associated with memberships, exchange transactions, member- related rentals and other services for the year divided by the average number of vacation exchange members during the year.

Vacation Ownership

Our vacation ownership business develops, markets and sells VOIs to individual consumers, provides property management services at resorts and provides consumer financing in connection with the sale of VOIs. It derives the majority of its revenues from sales of VOIs and other revenues from consumer financing and property management. Our sales of VOIs are either cash sales or developer-financed sales. In order for us to recognize revenues from VOI sales under the full accrual method of accounting, as prescribed in the guidance for 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 from 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 accordance with the guidance for accounting for real estate time-sharing transactions, we must also take into consideration the fair value of certain incentives provided to the purchaser when assessing the adequacy of the purchaser's initial investment. In those cases where 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.

We offer consumer financing as an option to customers purchasing VOIs, which are typically collateralized by the underlying VOI. The contractual terms of Company-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 10 years, and payments under the financing contracts begin within 45 days of the sale and receipt of the minimum down payment of 10%. An estimate of uncollectible amounts is recorded at the time of the sale with a charge to the provision for loan losses, which is classified as a reduction of VOI sales on the Consolidated Statements of Income. The interest income earned from the financing arrangements is earned on the principal balance outstanding over the life of the arrangement and is recorded within consumer financing on the Consolidated Statements of Income.

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. We receive fees for such property management services which are generally based upon total costs to operate such resorts. Fees for property management services typically approximate 10% of budgeted operating expenses. Property management fee revenues are recognized when the services are performed and are recorded as a component of service and membership fees on the Consolidated Statements of Income. Property management revenues, which are comprised of management fee revenue and reimbursable revenue, were $692 million, $660 million and $615 million during 2017, 2016 and 2015, respectively. Management fee revenues were $300 million, $287 million and $275 million during 2017, 2016 and 2015, respectively. Reimbursable revenues, which are based upon certain reimbursable costs with no added margin, were $392 million, $373 million and $340 million during 2017, 2016 and 2015, respectively. These reimbursable costs principally relate to the payroll costs for management of the associations, club and resort properties where we are the employer and are reflected as a component of operating expenses on the Consolidated Statements of Income. One of the associations that we manage paid our Destination Network segment $29 million, $26 million and $24 million for exchange services during 2017, 2016 and 2015, respectively.

Within our Vacation Ownership segment, we measure operating performance using the following key operating statistics: (i) gross VOI sales (including tele-sales upgrades, which are a component of upgrade sales) before the net effect of POC and loan loss provisions, (ii) tours, which represents the number of tours taken by guests in our efforts to sell VOIs and (iii) volume per guest ("VPG"), which represents revenue per guest and is calculated by dividing the gross VOI sales (excluding tele-sales upgrades, which are a component of upgrade sales) by the number of tours.

Other Items

We record marketing and reservation revenues, Wyndham Rewards revenues, RCI Elite Rewards revenues and hotel/property management services revenues for our Hotel Group, Destination Network and Vacation Ownership segments in accordance with the guidance for reporting revenues gross as a principal versus net as an agent, which requires that these revenues be recorded on a gross basis.

Discussed below are our consolidated 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 revenues and "EBITDA", which is defined as net income before depreciation and amortization, interest expense (excluding consumer financing interest), early extinguishment of debt, interest income (excluding consumer financing revenues) and income taxes, each of which is presented on the Consolidated Statements of Income. We believe that EBITDA is a useful measure of performance for our industry segments and, when considered with GAAP measures, gives a more complete understanding of our operating performance. Our presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

OPERATING STATISTICS

The following table presents our operating statistics from continuing operations for the years endedDecember 31, 2017 and 2016. See Results of Operations section for a discussion as to how these operating statistics affected our business for the periods presented.

	Year Ended December 31,		
	2017	2016	% Change
Hotel Group[a]			
Number of rooms [b]	728,200	697,600	4.4
RevPAR [c]	$ 37.63	$ 36.67	2.6
Destination Network[a]			
Average number of members (in 000s) [d]	3,799	3,852	(1.4)
Exchange revenue per member [e]	$ 172.25	$ 167.48	2.8
Vacation Ownership[a]			
Gross VOI sales (in 000s) [f] [g]	$ 2,144,000	$ 2,012,000	6.6
Tours (in 000s) [h]	869	819	6.1
VPG [i]	$ 2,345	$ 2,324	0.9

(a) Includes the impact from acquisitions from the acquisition dates forward.

(b) Represents the number of rooms at hotel group properties at the end of the period which are under franchise and/or management agreements, or are Company-owned.

(c) Represents revenue per available room and is calculated by multiplying the percentage of available rooms occupied during the period by the average rate charged for renting a hotel room for one day.

(d) Represents members in our vacation exchange programs who paid annual membership dues as of the end of the period or who are within the allowed grace period.

(e) Represents total annualized revenues generated from fees associated with memberships, exchange transactions, member-related rentals and other servicing for the period divided by the average number of vacation exchange members during the period.

(f) Represents total sales of VOIs, including sales under Wyndham Asset Affiliation Model Fee-for-Service, before the net effect of POC accounting and loan loss provisions. We believe that Gross VOI sales provide an enhanced understanding of the performance of our vacation ownership business because it directly measures the sales volume of this business during a given reporting period.

(g) The following table provides a reconciliation of Gross VOI sales to vacation ownership interest sales for the year ended December 31 (in millions):

	2017	2016
Gross VOI sales	$ 2,144	$ 2,012
Less: WAAM Fee-for-Service sales [1]	(35)	(64)
Gross VOI sales, net of WAAM Fee-for-Service sales [2]	2,108	1,948
Less: Loan loss provision	(420)	(342)
Vacation ownership interest sales	$ 1,689	$ 1,606

(1) Represents total sales of VOIs through our WAAM Fee-for-Service sales model designed to offer turn-key solutions for developers or banks in possession of newly developed inventory, which we will sell for a commission fee through our extensive sales and marketing channels. WAAM Fee-for-Service commission revenues amounted to $24 million and $46 million during 2017 and 2016, respectively.

(2) Amounts may not add due to rounding.

(h) Represents the number of tours taken by guests in our efforts to sell VOIs.

(i) VPG is calculated by dividing Gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) by the number of tours. Tele-sales upgrades were $107 million and $108 million during 2017 and 2016, respectively. We have excluded non-tour upgrade sales in the calculation of VPG because non-tour upgrade sales are generated by a different marketing channel. We believe that VPG provides an enhanced understanding of the performance of our vacation ownership business because it directly measures the efficiency of the business's tour selling efforts during a given reporting period.

Year Ended December 31, 2017 vs. Year Ended December 31, 2016

Our consolidated results from continuing operations are as follows:

	Year Ended December 31,		
	2017	2016	Favorable/(Unfavorable)
Net revenues	$ 5,076	$ 4,926	$ 150
Expenses	4,364	3,952	(412)
Operating income	712	974	(262)
Other income, net	(27)	(21)	6
Interest expense	156	133	(23)
Early extinguishment of debt expense	—	11	11
Interest income	(7)	(7)	—
Income before income taxes	590	858	(268)
(Benefit)/provision for income taxes	(229)	313	542
Income from continuing operations	819	545	274
Income from discontinued operations, net of income taxes	53	67	(14)
Net income	872	612	260
Net income attributable to noncontrolling interest	(1)	(1)	—
Net income attributable to Wyndham shareholders	$ 871	$ 611	$ 260

Net revenues increased $150 million (3.0%) during 2017 compared with 2016. Foreign currency translation favorably impacted net revenues by $9 million. Excluding foreign currency translation, the increase in net revenues was primarily the result of:

- $105 million of higher revenues in our vacation ownership business primarily from an increase in net VOI sales, property management and consumer financing revenues;
- $29 million of higher revenues (excluding intersegment revenues) in our hotel group business primarily from higher royalty, marketing and reservation (inclusive of Wyndham Rewards) revenue and higher revenue from ancillary services; and
- $7 million of higher revenues (excluding intersegment revenues) in our destination network business primarily from exchange and related service revenues and acquisitions.

Expenses increased $412 million (10.4%) during 2017 compared with 2016. Foreign currency translation unfavorably impacted expenses by $4 million. Excluding foreign translation currency, the increase in expenses was primarily the result of:

- $246 million of non-cash impairment charges primarily related to a write-down of undeveloped VOI land and a write-down of VOI inventory in the Saint Thomas, U.S. Virgin Islands resulting from the impact of the third quarter 2017 hurricanes in our vacation ownership business, and a write-down of intangibles and certain other assets in our hotel group business;
- $135 million of higher expenses from operations primarily related to the revenue increases; and
- $51 million of expenses associated with the planned spin-off of our hotel group business.

Such increases in expenses were partially offset by the absence of a $24 million foreign exchange loss related to the devaluation of the Venezuela exchange rate during the first quarter of 2016.

Other income, net increased $6 million during 2017 compared to 2016 due to a non-cash gain on an acquisition at our destination network business resulting from a re-measurement of our original investment to fair value.

Interest expense increased $23 million during 2017 compared with 2016 primarily due to the impact of senior unsecured notes issued during March 2017 partially offset by the repayment of our 2.95% senior unsecured notes during March 2017.

Our effective tax rate in 2017 was a benefit of 38.8%, primarily due to the $415 million net tax benefit from the impact of the enactment of the U.S. Tax Cuts and Jobs Act during the year. Our effective tax rate in 2016 was a provision of 36.5%.

Our results of operations reflect a negative impact from the hurricanes in the third quarter of 2017. We estimate that the hurricanes reduced our revenues, EBITDA and net income by $28 million, $26 million and $17 million, respectively.

Income from discontinued operations, net of income taxes decreased $14 million during 2017 compared with 2016 primarily from transaction-related costs associated with the sale of our European vacation rentals business.

As a result of these items, net income attributable to Wyndham shareholders increased $260 million (42.6%) as compared with 2016.

Following is a discussion of the 2017 results of each of our segments compared to 2016:

	Net Revenues			EBITDA		
	2017	2016	% Change	2017	2016	% Change
Hotel Group	$ 1,343	$ 1,309	2.6	$ 367 (b)	$ 391 (f)	(6.1)
Destination Network	912	898	1.6	257 (c)	222 (g)	15.8
Vacation Ownership	2,905	2,794	4.0	489 (d)	694 (h)	(29.5)
Total Reportable Segments	5,160	5,001	3.2	1,113	1,307	(14.8)
Corporate and Other	(84) (a)	(75) (a)	(12.0)	(161) (e)	(110) (i)	(46.4)
Total Company	$ 5,076	$ 4,926	3.0	$ 952	$ 1,197	(20.5)

Reconciliation of Net income attributable to Wyndham shareholders to EBITDA

	2017	2016
Net income attributable to Wyndham shareholders	$ 871	$ 611
Net income attributable to noncontrolling interest	1	1
Income from discontinued operations, net of tax	(53)	(67)
(Benefit)/provision for income taxes	(229)	313
Depreciation and amortization	213	202
Interest expense	156	133
Early extinguishment of debt expense	—	11 (j)
Interest income	(7)	(7)
EBITDA	$ 952	$ 1,197

(a) Includes the elimination of transactions between segments.

(b) Includes (i) $25 million for the write-down of a guarantee asset and note receivable related to a hotel management agreement, (ii) $16 million for a write-down of a trade name and related management agreements, (iii) $3 million of costs associated with the planned spin-off of our hotel business, (iv) $3 million of costs associated with the La Quinta and AmericInn acquisitions, (v) $1 million of restructuring costs primarily associated with realigning brand operations and (vi) $1 million related to the impact on the performance metrics of the performance-vested restricted stock unit grants resulting from the enactment of the Tax Cuts and Jobs Act.

(c) Includes a $13 million non-cash gain resulting from the acquisition of a controlling interest in Love Home Swap partially offset by (i) $8 million of restructuring costs associated with enhancing organizational efficiency and rationalizing operations, (ii) $8 million of costs associated with separation-related activities, (iii) $1 million of acquisition costs and (iv) $1 million related to the impact on the performance metrics of the performance-vested restricted stock unit grants resulting from the enactment of the Tax Cuts and Jobs Act.

(d) Includes (i) $135 million of impairment charges primarily related to the write-down of undeveloped land resulting from our decision to no longer pursue future development at certain locations, $65 million of impairment charges related to the write-down of VOI inventory and property and equipment associated with our resort in the Saint Thomas, U.S. Virgin Islands resulting from the impact of the third quarter 2017 hurricanes, (ii) $1 million of costs associated with separation-related activities and (iii) $1 million related to the impact on the performance metrics of the performance-vested restricted stock unit grants resulting from the enactment of the Tax Cuts and Jobs Act.

(e) Includes (i) $122 million of corporate costs, (ii) $39 million of costs associated with our planned spin-off of our hotel business, (iii) $6 million of restructuring costs focused on rationalizing its sourcing function and outsourcing certain information technology functions and (iv) $4 million related to the impact on the performance metrics of the performance-vested restricted stock unit grants resulting from the enactment of the Tax Cuts and Jobs Act partially offset by a $6 million net benefit resulting from the resolution of and adjustment to certain contingent liabilities resulting from the Cendant Separation.

(f) Includes $7 million of costs associated with the termination of a management contract and $2 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency.

(g) Includes a $24 million foreign currency loss related to the devaluation of the exchange rate of Venezuela and $4 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency.

(h) Includes $8 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency and rationalizing existing facilities and $6 million of costs associated with the departure of the chief executive officer at our vacation ownership business.

(i) Includes $121 million of corporate costs partially offset by an $11 million benefit from an adjustment to certain contingent liabilities resulting from the Cendant Separation.

(j) Represents costs incurred for the early repurchase of the remaining portion of our 6.00% senior unsecured notes.

Hotel Group

Net revenues increased $34 million (2.6%) and EBITDA decreased $24 million (6.1%) in 2017 compared with 2016. EBITDA was impacted by $41 million of non-cash impairment charges for the write-down of certain hotel management assets. Foreign currency translation unfavorably impacted EBITDA by $1 million.

Royalty revenues increased $16 million, and marketing and reservation fees (inclusive of Wyndham Rewards) increased $13 million compared to the prior year due to a 2.6% increase in global RevPAR and a 4.4% increase in global system size. The growth in global RevPAR reflected a 3.2% increase in domestic RevPAR and a 3.0% increase in international RevPAR. The increase in international RevPAR was principally the result of a 2.0% increase in occupancy and a 1.1% increase in average daily rates. The growth in domestic RevPAR reflected a 2.4% increase in average daily rates and a 0.8% increase in occupancy.

Revenues were unfavorably impacted by the absence of $13 million of fees charged for our global franchise conference during 2016 which were fully offset by conference expenses. Revenues decreased $2 million and expenses increased $2 million at our two owned hotels primarily due to the impact of Hurricane Maria on our Rio Mar property in Puerto Rico. Revenues from other franchise fees increased $8 million primarily due to higher initial fees from property openings. Hotel management reimbursable revenues and expenses decreased $7 million compared to the prior year due to property terminations. Ancillary services contributed an additional $19 million of revenues and $7 million of expenses primarily due to growth in our co-branded credit card program.

In addition to the items discussed above, EBITDA was also impacted by $15 million of higher marketing costs, $5 million of higher employee-related costs, $4 million of incremental expenses related to acquisitions and $6 million of incremental transaction-related expenses associated with our acquisitions and planned spin-off. Such expense increases were partially offset by the absence of a $7 million non-cash impairment charge related to the write-down of terminated in-process technology projects during the third quarter of 2016.

Our acquisitions of AmericInn during the fourth quarter of 2017 and Fen Hotels during the fourth quarter of 2016 increased revenues and expenses by $10 million and $9 million, respectively, which are reflected in the results discussed above.

As of December 31, 2017, we had over 8,400 properties and approximately 728,200 rooms in our system. Additionally, our hotel development pipeline included over 1,150 hotels and approximately 148,200 rooms, of which 58% were international and 68% were new construction.

Destination Network

Net revenues and EBITDA from continuing operations increased $14 million (1.6%) and $35 million (15.8%), respectively, in 2017 compared with 2016. Foreign currency translation favorably impacted both net revenues and EBITDA by $3 million. EBITDA also reflected the absence of a $24 million foreign exchange loss related to the devaluation of the exchange rate of Venezuela during the first quarter of 2016, a $13 million non-cash gain resulting from the acquisition of a controlling interest in the Love Home Swap business, $8 million of costs associated with separation-related activities, $4 million of higher restructuring costs and the absence of $3 million from the favorable settlement of business disruption claims related to the Gulf of Mexico oil spill received during 2016.

Exchange and related service revenues increased $9 million (1.4%) as a 2.8% increase in exchange revenue per member was partially offset by a 1.4% decline in the average number of members. Net revenues generated from rental transactions and related services increased $3 million principally due to a 2.3% increase in average net price per vacation rental.

Vacation Ownership

Net revenues increased $111 million (4.0%) and EBITDA decreased $205 million (29.5%) in 2017 compared with 2016. Foreign currency translation favorably impacted net revenues by $6 million and had no impact on EBITDA. In addition, EBITDA was unfavorably impacted by $205 million of non-cash impairment charges primarily related to the write-down of undeveloped land resulting from our decision to no longer pursue future development at certain locations and the write-down of VOI inventory and property and equipment in the Saint Thomas, U.S. Virgin Islands due to a reduction in its fair value resulting from the disruption of VOI sales caused by natural disasters impacting the Caribbean.

Net VOI revenues increased $83 million compared to the prior year primarily due to a $160 million (8.2%) increase in gross VOI sales, net of WAAM Fee-for-Service sales, which was partially offset by a $78 million increase in our provision for loan losses. The increase in the provision for loan losses was due to higher gross VOI sales and the impact of third parties encouraging customers to default on their timeshare loans. Gross VOI sales increased primarily due to a 6.1% increase in tours, reflecting our continued focus on new owner generation and a 0.9% increase in VPG. Commission revenues decreased $22 million compared to the prior year resulting from lower WAAM Fee-for-Service VOI sales as we continue to shift our focus to utilizing our WAAM Just-in-Time inventory for VOI sales. Such decrease was partially offset by $19 million of lower expenses for such WAAM VOI sales.

Consumer financing revenues increased $23 million compared to last year. This increase was due to a higher weighted average interest rate earned on a larger average portfolio balance. Consumer financing interest expense decreased $1 million resulting from a decrease in the weighted average interest rate on our securitized debt. As a result, our net interest income margin increased to 84.0% compared with 83.0% during 2016.

Property management revenues and expenses increased $32 million and $20 million, respectively, due to higher management fees and reimbursable revenues.

In addition, EBITDA was impacted by:

- a $48 million increase in marketing costs due to our continued focus on adding new owners, who typically carry a higher cost per tour;
- $27 million of higher sales and commission expenses primarily due to higher gross VOI sales;
- $20 million of higher employee-related costs;
- $19 million of higher maintenance fees on unsold inventory;
- $11 million of higher legal settlement expenses;
- $6 million of lower proceeds from business interruption claims; partially offset by
- $8 million of lower restructuring charges; and
- the absence of $6 million of executive departure costs.

Corporate and Other

Corporate and Other revenues, which primarily represent the elimination of intersegment revenues charged between our businesses, decreased $9 million during the year ended 2017 compared to 2016.

Excluding $39 million of costs associated with the planned spin-off of our hotel group business, corporate expenses increased $12 million primarily due to $5 million of higher restructuring costs and $5 million of a lower net benefit related to an adjustment to certain contingent liabilities resulting from the Cendant Separation.

Table of Contents

OPERATING STATISTICS

The following table presents our operating statistics from continuing operations for the years endedDecember 31, 2016 and 2015. See Results of Operations section for a discussion as to how these operating statistics affected our business for the periods presented.

	Year Ended December 31,		
	2016	2015	% Change
Hotel Group [(a)]			
Number of rooms [(b)]	697,600	678,000	2.9
RevPAR [(c)]	$ 36.67	$ 37.26	(1.6)
Destination Network			
Average number of members (in 000s) [(d)]	3,852	3,831	0.5
Exchange revenue per member [(e)]	$ 167.48	$ 169.29	(1.1)
Vacation Ownership			
Gross VOI sales (in 000s) [(f)] [(g)]	$ 2,012,000	$ 1,965,000	2.4
Tours (in 000s) [(h)]	819	801	2.2
VPG [(i)]	$ 2,324	$ 2,326	(0.1)

(a) Includes the impact from acquisitions from the acquisition dates forward.

(b) Represents the number of rooms at hotel group properties at the end of the period which are under franchise and/or management agreements, or are company owned.

(c) Represents revenue per available room and is calculated by multiplying the percentage of available rooms occupied during the period by the average rate charged for renting a hotel room for one day.

(d) Represents members in our vacation exchange programs who paid annual membership dues as of the end of the period or within the allowed grace period.

(e) Represents total annualized revenues generated from fees associated with memberships, exchange transactions, member-related rentals and other servicing for the period divided by the average number of vacation exchange members during the period.

(f) Represents total sales of VOIs, including sales under Wyndham Asset Affiliation Model Fee-for-Service, before the net effect of POC accounting and loan loss provisions. We believe that Gross VOI sales provide an enhanced understanding of the performance of our vacation ownership business because it directly measures the sales volume of this business during a given reporting period.

(g) The following table provides a reconciliation of Gross VOI sales to vacation ownership interest sales for the year ended December 31 (in millions):

	2016	2015
Gross VOI sales	$ 2,012	$ 1,965
Less: WAAM Fee-for-Service sales [(1)]	(64)	(126)
Gross VOI sales, net of WAAM Fee-for-Service sales [(2)]	1,948	1,838
Less: Loan loss provision	(342)	(248)
Plus/(Less): Impact of POC accounting	—	13
Vacation ownership interest sales	$ 1,606	$ 1,604

(1) Represents total sales of VOIs through our WAAM Fee-for-Service sales model designed to offer turn-key solutions for developers or banks in possession of newly developed inventory, which we will sell for a commission fee through our extensive sales and marketing channels. WAAM Fee-for-Service commission revenues amounted to $46 million and $83 million during 2016 and 2015, respectively.

(2) Amounts may not add due to rounding.

(h) Represents the number of tours taken by guests in our efforts to sell VOIs.

(i) VPG is calculated by dividing Gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) by the number of tours. Tele-sales upgrades were $108 million and $100 million during 2016 and 2015, respectively. We have excluded non-tour upgrade sales in the calculation of VPG because non-tour upgrade sales are generated by a different marketing channel. We believe that VPG provides an enhanced understanding of the performance of our vacation ownership business because it directly measures the efficiency of the business’s tour selling efforts during a given reporting period.

Year Ended December 31, 2016 vs. Year Ended December 31, 2015

Our consolidated results are as follows:

	Year Ended December 31,		
	2016	2015	Favorable/(Unfavorable)
Net revenues	$ 4,926	$ 4,878	$ 48
Expenses	3,952	3,943	(9)
Operating income	974	935	39
Other income, net	(21)	(16)	5
Interest expense	133	122	(11)
Early extinguishment of debt expense	11	—	(11)
Interest income	(7)	(8)	(1)
Income before income taxes	858	837	21
Provision for income taxes	313	285	(28)
Income from continuing operations	545	552	(7)
Income from discontinued operations, net of income taxes	67	60	7
Net income	612	612	—
Net income attributable to noncontrolling interest	(1)	—	(1)
Net income attributable to Wyndham Shareholders	$ 611	$ 612	$ (1)

Net revenues increased $48 million (1.0%) during 2016 compared with 2015. Foreign currency translation unfavorably impacted net revenues by $16 million. Excluding foreign currency translation, the increase in net revenues was primarily the result of:

- $24 million of higher revenues at our vacation ownership business primarily resulting from an increase in property management and consumer financing revenues, partially offset by a decrease in commission revenues resulting from lower WAAM Fee-for-Service VOI sales;
- $20 million of incremental revenues resulting from acquisitions at our hotel group and destination network businesses;
- $10 million of higher revenues (excluding intersegment revenues) at our destination network business primarily from an increase in volume on rental transactions; and
- $10 million of higher revenues at our hotel group business (excluding intersegment revenues) primarily due to an increase in ancillary services.

Expenses increased $9 million during 2016 compared with 2015. Foreign currency favorably impacted expenses by $11 million. Excluding foreign currency, the increase in expenses was primarily the result of:

- a $24 million foreign exchange loss related to the devaluation of the Venezuela exchange rate at our destination network business;
- an $15 million increase in depreciation and amortization resulting from the impact of property and equipment additions that were placed in service;
- $17 million of incremental expenses related to acquisitions at our hotel group and destination network businesses;
- $8 million of higher restructuring costs resulting from organizational realignments across our business; and
- $6 million of costs associated with the departure of the chief executive officer at our vacation ownership business.

Such increases in expenses were partially offset by:

- a $27 million decrease in expenses primarily associated with general and administrative costs;
- an $11 million benefit from an adjustment to certain contingent liabilities resulting from our separation from Cendant;
- the absence of a $7 million non-cash impairment charge incurred during the third quarter of 2015; and
- $7 million of lower expense related to the termination of a management contract which resulted in a charge of $7 million and $14 million during the third quarter of 2016 and 2015, respectively.

Other income, net increased $5 million during 2016 compared with 2015 primarily from settlements of business interruption claims received principally at our vacation ownership business.

Interest expense increased $11 million during 2016 compared with 2015 primarily due to higher borrowings.

During 2016, we incurred $11 million of expenses resulting from the early repurchase of the remaining portion of our 6.00% senior unsecured notes.

Our effective tax rate increased from 34.1% in 2015 to 36.5% in 2016 primarily due to a lower tax benefit in 2016 resulting from changes in our valuation allowance, partially offset by a benefit from an increase in foreign tax credits.

Income from discontinued operations, net of income taxes increased $7 million during 2016 compared with 2015 primarily due to increased vacation rental transaction volume.

As a result of these items, net income attributable to Wyndham shareholders decreased $1 million as compared with 2015.

Following is a discussion of the 2016 results of each of our segments and Corporate and Other compared to 2015:

	Net Revenues			EBITDA		
	2016	2015	% Change	2016	2015	% Change
Hotel Group	$ 1,309	$ 1,297	0.9	$ 391 (b)	$ 349 (g)	12.0
Destination Network	898	880	2.0	222 (c)	239 (h)	(7.1)
Vacation Ownership	2,794	2,772	0.8	694 (d)	687 (i)	1.0
Total Reportable Segments	5,001	4,949	1.1	1,307	1,275	2.5
Corporate and Other	(75) (a)	(71) (a)	(5.6)	(110) (e)	(137) (j)	19.7
Total Company	$ 4,926	$ 4,878	1.0	$ 1,197	$ 1,138	5.2

Reconciliation of Net income attributable to Wyndham shareholders to EBITDA

	2016	2015
Net income attributable to Wyndham shareholders	$ 611	$ 612
Net income attributable to noncontrolling interest	1	—
Income from discontinued operations, net of tax	(67)	(60)
Provision for income taxes	313	285
Depreciation and amortization	202	187
Interest expense	133	122
Early extinguishment of debt expense	11 (f)	—
Interest income	(7)	(8)
EBITDA	$ 1,197	$ 1,138

(a) Includes the elimination of transactions between segments.

(b) Includes $7 million of costs associated with the termination of a management contract and $2 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency.

(c) Includes a $24 million foreign currency loss related to the devaluation of the exchange rate of Venezuela and $4 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency.

(d) Includes $8 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency and rationalizing existing facilities and $6 million of costs associated with the departure of the chief executive officer at our vacation ownership business.

(e) Includes $121 million of corporate costs partially offset by an $11 million benefit from an adjustment to certain contingent liabilities resulting from our Cendant Separation.

(f) Represents costs incurred for the early repurchase of the remaining portion of our 6.00% senior unsecured notes.

(g) Includes (i) $14 million of costs associated with the anticipated termination of a management contract, (ii) a $7 million non-cash impairment charge related to the write-down of terminated in-process technology projects resulting from the decision to outsource its reservation system to a third-party provider, (iii) $4 million of restructuring costs incurred as a result of an organizational realignment of brand services and call center operations, partially offset by a $1 million reversal of a portion of a restructuring reserve during 2015 and (iv) $3 million of costs incurred in connection with the Dolce acquisition.

(h) Includes $3 million of restructuring costs incurred as a result of a rationalization of our international operations, partially offset by a $1 million reversal of a portion of a restructuring reserve.

(i) Includes $1 million of restructuring costs incurred as a result of an organizational realignment of the sales function.
(j) Includes $137 million of corporate costs.

Hotel Group

Net revenues and EBITDA increased $12 million (0.9%) and $42 million (12.0%), respectively, during the twelve months ended December 31, 2016 compared with the same period during 2015. Foreign currency translation unfavorably impacted revenues and EBITDA by $4 million and $2 million, respectively.

Net revenues from royalty, marketing and reservation fees (inclusive of Wyndham Rewards) declined $3 million compared to the prior year. Excluding an unfavorable foreign currency translation impact of $4 million, royalty revenues increased $4 million, which was primarily offset by a $3 million reduction in marketing, reservation and Wyndham Rewards revenues. The increase in royalties was the result of a 2.9% increase in global system size partially offset by a 1.6% decline in global RevPAR. Domestic RevPAR increased 1.6% reflecting a 2.9% increase in average daily rates and a 1.2% decline in occupancy rates. International RevPAR declined 7.0% primarily due to unfavorable currency translation and country mix as a larger portion of our international room growth was in China, which has a lower RevPAR than other international regions.

Revenues and EBITDA from other franchise fees increased $5 million and $2 million, respectively, primarily due to higher initial franchise fees on property openings. Ancillary services contributed an additional $10 million and $9 million of revenues and EBITDA, respectively, primarily due to growth in our co-branded credit card program.

In addition to the items discussed above, EBITDA was also favorably impacted by:
- $11 million of lower marketing expenses;
- the absence of a $7 million non-cash impairment charge related to the write-down of terminated in-process technology projects during the third quarter of 2015;
- $7 million of lower expense related to the termination of a management contract which resulted in a charge of $7 million and $14 million during the third quarter of 2016 and 2015, respectively.
- $7 million of lower expenses primarily due to employee-related costs; and
- $2 million of lower integration and deal costs.

As of December 31, 2016, we had 8,035 properties and over 697,600 rooms in our system. Additionally, our hotel development pipeline included over 1,110 hotels and approximately 138,300 rooms, of which 60% were international and 67% were new construction.

Destination Network

Net revenues from continuing operations increased $18 million (2.0%) and EBITDA from continuing operations decreased $17 million (7.1%) during the twelve months ended December 31, 2016 compared with 2015. Foreign currency translation unfavorably impacted net revenues and EBITDA by $10 million and $1 million, respectively. EBITDA also reflected a $24 million foreign exchange loss related to the devaluation of the exchange rate of Venezuela during the first quarter of 2016.

Our acquisitions of vacation rentals brands contributed $10 million of incremental revenues (inclusive of $1 million of ancillary revenues) and $2 million of incremental EBITDA during 2016.

Exchange and related service revenues decreased $4 million. Excluding an unfavorable foreign currency translation impact of $10 million, exchange and related service revenues increased $6 million primarily due to a 0.5% increase in the average number of members and a 0.4% increase in exchange revenue per member.

Net revenues generated from rental transactions and related services increased $17 million. Excluding $9 million of incremental vacation rental revenues from acquisitions, net revenues generated from rental transactions and related services increased $8 million principally due to an 8.1% increase in rental transaction volume, partially offset by a 2.6% decline in average net price per vacation rental.

Additionally, ancillary revenues increased $5 million primarily due to call center services provided to our hotel group business.

In addition to the items discussed above, EBITDA was unfavorably impacted by:
- $12 million of higher costs resulting from revenue increases;

- $5 million of higher information technology costs primarily related to growth initiatives;
- $2 million of higher restructuring costs, which includes $4 million of such costs recorded during 2016, partially offset by $2 million recorded during 2015; and
- a $2 million non-cash impairment charge related to the write-down of an equity investment.

Such amounts were partially offset by:

- $6 million of lower employee-related expenses;
- a $4 million favorable impact from foreign exchange transactions and foreign exchange contracts; and
- a $3 million reimbursement of legal fees and associated costs related to a favorable court ruling.

EBITDA was also unfavorably impacted by the absence of $6 million from the settlement of business disruption claims received during 2015 related to the 2010 Gulf of Mexico oil spill, partially offset by $3 million received during 2016.

Vacation Ownership

Net revenues increased $22 million (0.8%) and EBITDA increased $7 million (1.0%), respectively, during the twelve months ended December 31, 2016 compared with the same period of 2015. Foreign currency translation unfavorably impacted net revenues and EBITDA by $2 million and $1 million, respectively.

Net VOI revenues increased $2 million compared to the same period last year. Excluding an unfavorable foreign currency translation impact of $1 million, net VOI revenues increased $3 million. Such increase was primarily due to a $110 million increase in gross VOI sales, net of WAAM Fee-for-Service sales that were almost completely offset by (i) a $94 million increase in our provision for loan losses and (ii) the absence of $13 million of VOI revenues recognized during 2015 under percentage-of-completion accounting. The increase in the provision for loan losses reflected organized activity by third-parties encouraging customers to default on their timeshare loans and higher financing activity on VOI sales.

Excluding a $1 million unfavorable impact from foreign currency translation, Gross VOI sales increased $48 million (2.4%) compared to the same period last year primarily due to a 2.2% increase in tours resulting from of our continued focus on targeting new owner generation. VPG remained flat compared to the prior year.

Commission revenues and EBITDA decreased $37 million and $2 million, respectively, compared to the prior year resulting from lower WAAM Fee-for-Service VOI sales as we continue to shift our focus to utilizing our WAAM Just-in-Time inventory.

Consumer financing revenues and EBITDA increased $13 million and $12 million, respectively compared to the same period last year. Such increases were due to a higher weighted average interest rate earned and a larger average portfolio balance. EBITDA was also impacted by $1 million of higher interest expense resulting from an increase in the weighted average interest rate on our securitized debt to 3.6% from 3.5%, partially offset by a lower average securitized debt balance. As a result, our net interest income margin increased to 83.0% compared to 82.8% during 2015.

Property management revenues and EBITDA increased by $45 million and $15 million compared to the prior year primarily as a result of higher reimbursable revenues and management fees. EBITDA also benefited from lower operating expenses and employee-related costs.

In addition, EBITDA was unfavorably impacted by:

- a $30 million increase in marketing costs due to tour growth from our continued focus on new owner generation which yields a higher cost per tour;
- $20 million of higher sales and commission expenses primarily due to $110 million of higher gross VOI sales, net of WAAM Fee-for-Service;
- $7 million of higher maintenance fees on unsold inventory;
- $7 million of higher restructuring charges; and
- $6 million of costs associated with the departure of the segment's chief executive officer.

Such decreases in EBITDA were partially offset by:

- a $21 million decrease in general and administrative expenses primarily associated with lower employee-related costs and legal expenses;

- a $19 million reduction in the cost of VOIs sold primarily due to the favorable impact on estimated inventory recoveries resulting from an increase in the provision for loan losses, partially offset by (i) higher costs related to the increase in VOI sales and (ii) higher average product costs; and
- $9 million received during 2016 resulting from the settlement of several business interruption claims.

Corporate and Other

Corporate and Other revenues, which primarily represent the elimination of intersegment revenues charged between our businesses, decreased $4 million during the year ended 2016 compared to 2015.

Corporate expenses (excluding intercompany expense eliminations) decreased $27 million during the year ended 2016 compared to the prior year primarily due to lower employee-related costs and a benefit related to an adjustment to certain contingent liabilities resulting from our Separation.

DISCONTINUED OPERATIONS

During the third quarter of 2017, we decided to explore strategic alternatives for our European vacation rentals business, which was previously part of our Wyndham Destination Network segment, and in the fourth quarter of 2017, we commenced activities to facilitate the sale of this business. As a result, for all periods presented, we have classified the results of operations for our European vacation rentals business as discontinued operations in the Consolidated Statements of Income and classified the related assets and liabilities associated with this business as held for sale in the Consolidated Balance Sheets. All results and information presented exclude our European Vacation Rental business unless otherwise noted (see Note 3 - Discontinued Operations in the Notes to Consolidated Financial Statements).

Income from discontinued operations, net of taxes was $53 million, $67 million and $60 million in 2017, 2016 and 2015, respectively. During 2017, we incurred $15 million of transaction expenses in connection with the disposition of our European vacation rentals business.

RESTRUCTURING PLANS

During 2017, we recorded $15 million of charges related to restructuring initiatives, all of which are personnel-related. The charges consisted of (i)$8 million at our Destination Network segment which primarily focused on enhancing organizational efficiency and rationalizing its operations, (ii) $6 million at our corporate operations which focused on rationalizing its sourcing function and outsourcing certain information technology functions and (iii) $1 million at our Hotel Group segment which primarily focused on realigning its brand operations. During 2017, we reduced our restructuring-charge liability by $11 million, of which $10 million was in cash payments and $1 million was through the issuance of Wyndham stock. The remaining liability of $4 million, as of December 31, 2017, is expected to be paid by the end of 2018. We anticipate annual net savings from such initiatives to be $24 million.

During 2016, we recorded $14 million of charges related to restructuring initiatives, primarily focused on enhancing organizational efficiency and rationalizing existing facilities including the closure of four vacation ownership sales offices. In connection with these initiatives, we initially recorded $11 million of personnel-related costs, a $2 million non-cash asset impairment charge and $2 million of facility-related expenses. In 2016, we subsequently reversed$1 million of previously recorded personnel-related costs and reduced our liability with $5 million of cash payments. During 2017, we reduced our remaining liability by $7 million, of which $6 million was in cash payments. The remaining liability of $1 million as of December 31, 2017 is expected to be paid primarily by the end of 2020.

During 2015, we recorded $6 million of charges related to restructuring initiatives resulting from a realignment of brand services and call center operations within our hotel group business, a rationalization of international operations within our destination network business and a reorganization of the sales function within our vacation ownership business. In connection with these initiatives, we initially recorded $7 million of personnel-related costs and a $1 million non-cash asset impairment charge associated with a facility. We subsequently reversed $2 million of previously recorded personnel-related costs and reduced our liability with$2 million of cash payments. During 2016, we reduced our remaining liability with $3 million of cash payments.

We have additional restructuring plans which were implemented prior to 2015. During 2017, we reduced our remaining liability for such plans with $1 million of cash payments. The remaining liability of $1 million as of December 31, 2017, all of which is related to leased facilities, is expected to be paid by 2020.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

FINANCIAL CONDITION

	December 31, 2017	December 31, 2016	Change
Total assets	$ 10,403	$ 9,819	$ 584
Total liabilities	9,520	9,101	419
Total equity	883	718	165

Total assets increased $584 million from December 31, 2016 to December 31, 2017 primarily due to:

- a $124 million increase in vacation ownership contract receivables primarily due to loan originations exceeding collections and loan loss provision;
- a $115 million increase in goodwill primarily due to our acquisitions of AmericInn at our hotel group business and Love Home Swap at our destination network business;
- a $54 million increase in other current assets primarily due to a higher income tax receivable related to installment sales of VOIs and an increase in mezzanine loans at our hotel group business;
- $53 million of higher property and equipment, net primarily due to current-year capital expenditures, a non-cash increase resulting from the consolidation of a special-purpose entity and transfers from inventory, partially offset by current-year depreciation;
- a $49 million increase in trademarks primarily due to the AmericInn acquisition at our hotel group business; and
- a $234 million increase in assets held for sale primarily due to foreign currency translation and increased vacation rental bookings in our discontinued operations.

Such increases in assets were partially offset by a $96 million reduction in inventory primarily due to VOI sales and transfers to property and equipment, partially offset by the current-year spend on vacation ownership development projects.

Total liabilities increased $419 million from December 31, 2016 to December 31, 2017 primarily due to:

- a $609 million increase in long-term debt;
- a $43 million increase in accounts payable;
- a $42 million increase in deferred income primarily related to VOI trial and incentive fees at our vacation ownership business;
- a $36 million increase in accrued expenses primarily due to higher employee costs across our businesses; and
- a $121 million increase in liabilities held for sale primarily due to foreign currency translation and an increase in deferred income related to rental bookings in our discontinued operations.

Such increases in liabilities were partially offset by:

- a $377 million reduction in deferred income taxes primarily related to the impact of the enactment of the U.S. Tax Cuts and Jobs Act during the year; and
- a $43 million reduction in securitized debt.

Total equity increased $165 million from December 31, 2016 to December 31, 2017 primarily due to $871 million of net income attributable to Wyndham shareholders and $102 million of foreign currency translation adjustments, partially offset by $601 million of stock repurchases and $239 million of dividends.

LIQUIDITY AND CAPITAL RESOURCES

Currently, our financing needs are supported by cash generated from operations and borrowings under our revolving credit facilities and commercial paper programs as well as issuance of long-term unsecured debt. In addition, certain funding requirements of our vacation ownership business are met through the utilization of our bank conduit facilities and the issuance of securitized debt to finance vacation ownership contract receivables. We believe that our net cash from operations, cash and cash equivalents, access to our revolving credit facilities, commercial paper programs and continued access to the securitization and debt markets provide us with sufficient liquidity to meet our ongoing needs.

Our five-year revolving credit facility, which expires in July 2020, has a total capacity of $1.5 billion and available capacity of $1.0 billion, net of letters of credit and commercial paper borrowings, as of December 31, 2017. We consider outstanding borrowings under our commercial paper programs to be a reduction of the available capacity on such revolving credit facility.

We entered into a 364-day, $400 million revolving credit facility in November 2017. Such facility had $400 million of available capacity as of December 31, 2017.

We maintain U.S. and European commercial paper programs under which we may issue unsecured commercial paper notes up to a maximum amount of $750 million and $500 million, respectively. As of December 31, 2017, we had $147 million of outstanding commercial paper borrowings, all under our U.S. commercial paper program.

Our $450 million 2.50% senior unsecured notes are due in March 2018. Our intent is to refinance such notes with available capacity under our revolving credit facilities.

Our current two-year, $650 million securitized vacation ownership bank conduit facility, with a borrowing capability through August 2018, had $317 million of available capacity as of December 31, 2017. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but no later than September 2019.

We entered into a fifteen-month, $750 million securitized vacation ownership bank conduit facility in October 2017, with a borrowing capability through January 2019 and available capacity of $204 million as of December 31, 2017. This facility bears interest at variable rates based on commercial paper plus a spread or LIBOR rates plus a spread and has an advance rate of 85%. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but no later than January 2020.

In January 2018, we obtained $2.0 billion of funding commitments in connection with the La Quinta acquisition, which expires in January 2019.

We may, from time to time, depending on market conditions and other factors, repurchase our outstanding indebtedness, whether or not such indebtedness trades above or below its face amount, for cash and/or in exchange for other securities or other consideration, in each case in open market purchases and/or privately negotiated transactions.

CASH FLOW

The following table summarizes cash and cash equivalents during 2017, 2016 and 2015:

	Year Ended December 31,		
	2017	2016	2015
Cash provided by/(used in)			
Operating activities:			
Continuing operations	$ 880	$ 846	$ 871
Discontinued operations	107	127	120
Investing activities:			
Continuing operations	(362)	(259)	(264)
Discontinued operations	(32)	(94)	(38)
Financing activities:			
Continuing operations	(538)	(576)	(667)
Discontinued operations	(21)	(10)	(8)
Effects of changes in exchange rates on cash and cash equivalents	14	(20)	(26)
Net change in cash and cash equivalents	$ 48	$ 14	$ (12)

Operating Activities

During 2017, net cash provided by operating activities from continuing operations increased by $34 million compared to 2016. Net income adjusted for non-cash items increased cash from operations by $110 million. Cash utilized for working capital (net change in assets and liabilities) increased $76 million compared to 2016 primarily due to an increase in vacation ownership contract receivables resulting from higher originations and increased spending on vacation ownership development projects partially offset by an increase in accrued expenses associated with higher employee-related costs. Net cash provided by operating activities from discontinued operations decreased by $20 million compared to 2016.

During 2016, net cash provided by operating activities from continuing operations decreased by $25 million compared to 2015. Such decline reflects a $204 million increase in cash utilized for working capital (net change in assets and liabilities)

primarily due to an increase in vacation ownership contract receivables resulting from higher originations and a reduction in accrued expenses associated with lower employee-related costs, partially offset by lower income tax payments due to timing. Net income adjusted for non-cash items increased cash from operations by $179 million compared to prior year. Net cash provided by operating activities from discontinued operations generated an additional $7 million of cash compared to 2015.

Investing Activities

During 2017, net cash used in investing activities for continuing operations increased $103 million, primarily due to higher cash utilized for acquisitions and mezzanine loans partially offset by $11 million of insurance proceeds received representing a partial reimbursement for damage sustained at our Rio Mar hotel from Hurricane Maria in the third quarter of 2017. Net cash used in investing activities for discontinued operations decreased by $62 million primarily due to lower cash utilized for acquisitions and loans.

During 2016, net cash used in investing activities for continuing operations decreased $5 million, primarily due to lower cash utilized for property and equipment expenditures. Net cash used in investing activities for discontinued operations increased by $56 million primarily due to higher cash utilized for acquisitions and loans.

Financing Activities

During 2017, net cash used in financing activities for continuing operations decreased $38 million compared 2016, primarily due to $164 million of higher net proceeds from non-securitized debt and $20 million of lower share repurchases. Such decreases were partially offset by (i) $86 million of higher net payments on securitized vacation ownership debt, (ii) $35 million of higher net payments in connection with vacation ownership inventory arrangements and (iii) $19 million of higher dividend payments to shareholders. Net cash used in financing activities for discontinued operations increased $11 million primarily due to contingent payments related to prior-year acquisitions.

During 2016, net cash used in financing activities for continuing operations decreased $91 million compared to 2015, principally reflecting (i) $71 million of higher net borrowings on non-securitized debt, (ii) $70 million of higher net borrowings on securitized vacation ownership debt and (iii) $39 million of lower share repurchases. Such sources of cash were partially offset by $69 million of lower net proceeds received in connection with the sale of vacation ownership inventory which is subject to conditional repurchases and a $21 million increase in dividends paid to shareholders. Net cash used in financing activities for discontinued operations increased $2 million.

Capital Deployment

We focus on optimizing cash flow and seeking to deploy capital for the highest returns possible. Ultimately, our business objective is to grow our business while transforming our cash and earnings profile by managing our cash streams to derive a greater proportion of EBITDA from our fee-for-service businesses. We intend to continue to invest in select capital and technological improvements across our business. We may also seek to acquire additional franchise agreements, hotel/property management contracts on a strategic and selective basis as well as grow the business through merger and acquisition activities. In addition, we will return cash to shareholders through the repurchase of common stock and payment of dividends.

During 2017, we spent $218 million on vacation ownership development projects (inventory). We believe that our vacation ownership business currently has adequate finished inventory on our balance sheet to support vacation ownership sales for at least the next year. During 2018, we anticipate spending approximately $220 million to $250 million on vacation ownership development projects. The average inventory spend on vacation ownership development projects for the five-year period from 2018 through 2022 is expected to be approximately $250 million annually. After factoring in the anticipated additional average annual spending, we expect to have adequate inventory to support vacation ownership sales through at least the next four to five years.

During 2017, we spent $153 million on capital expenditures for continuing operations, primarily on information technology enhancement projects and renovations at our owned Rio Mar hotel. We also spent $35 million on capital expenditures at our discontinued operations, primarily on chalets at our Landal GreenParks business. During 2018, we anticipate spending approximately $150 million to $170 million on capital expenditures for continuing operations.

In addition, during 2017, we spent $33 million on loans and development advance notes, primarily at our hotel group business to acquire new franchise and management agreements. In an effort to support growth in our hotel group business, we will continue to provide development advance notes and loans, which may include agreements with multi-unit owners. We will also continue to provide other forms of financial support.

In January 2018, we entered into an agreement with La Quinta Holdings Inc. to acquire its hotel franchising and management businesses for $1.95 billion in cash and obtained $2.0 billion of funding commitments for such purchase.

In connection with our focus on optimizing cash flow, we are continuing our asset-light efforts in vacation ownership by seeking opportunities with financial partners whereby they make strategic investments to develop assets on our behalf. We refer to this as WAAM Just-in-Time. The partner may invest in new ground-up development projects or purchase from us, for cash, existing in-process inventory which currently resides on our balance sheet. The partner will complete the development of the project and we may purchase the finished inventory at a future date as needed or as obligated under the agreement.

We expect that the majority of the expenditures that will be required to pursue our capital spending programs, strategic investments and vacation ownership development projects will be financed with cash flow generated through operations. Additional expenditures are financed with general unsecured corporate borrowings, including through the use of available capacity under our revolving credit facilities and commercial paper programs.

Stock Repurchase Programs

On August 20, 2007, our Board authorized a stock repurchase program that enables us to purchase our common stock. The Board has since increased the capacity of the program eight times, most recently on October 23, 2017 by $1.0 billion, bringing the total authorization under the current program to $6.0 billion. We had $1.1 billion of remaining availability in our program as of December 31, 2017.

Under our current stock repurchase program, we repurchased 6.3 million shares at an average price of $95.79 for a cost of $601 million during the twelve months ended December 31, 2017. From August 20, 2007 through December 31, 2017, we repurchased 94.4 million shares at an average price of $52.32 for a cost of $4.9 billion.

As of December 31, 2017, we have repurchased under our current and prior stock repurchase programs, a total of 120 million shares at an average price of $48.11 for a cost of $5.7 billion since our Separation.

During the period January 1, 2018 through February 16, 2018, we repurchased an additional 0.2 million shares at an average price of $115.34 for a cost of $21 million. We currently have $1.1 billion remaining availability in our program. The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements and other factors. Repurchases may be conducted in the open market or in privately negotiated transactions.

Foreign Earnings

As a result of the enactment of the new law, we recorded a $42 million charge relating to the one-time mandatory tax on previously deferred earnings of its foreign subsidiaries. After considering the impact of available foreign tax credits, the resulting cash tax payable is not significant. Although the one-time mandatory tax has removed U.S. federal taxes on distributions to the United States, we continue to evaluate the expected manner of recovery to determine whether or not to continue to assert indefinite reinvestment on a part or all of the foreign undistributed earnings of $793 million. This requires us to re-evaluate the existing short and long-term capital allocation policies in light of the law and calculate the incremental tax cost in addition to the one-time mandatory tax, (e.g. foreign withholding, state income taxes, and additional U.S. tax on currency transaction gains or losses) of repatriating cash to the United States. While the provisional tax expense for the year ended December 31, 2017 is based upon an assumption that foreign undistributed earnings are indefinitely reinvested, our plan may change upon the completion of long-term capital allocation plans in light of the law and completion of the calculation of the incremental tax effects on the repatriation of foreign undistributed earnings. In the event we determine not to continue to assert the permanent reinvestment of part or all of foreign undistributed earnings, such a determination could result in the accrual and payment of additional foreign, state and local taxes.

LONG-TERM DEBT COVENANTS

Our revolving credit facilities and term loan are subject to covenants including the maintenance of specific financial ratios. The financial ratio covenants consist of a minimum consolidated interest coverage ratio of at least 2.5 to 1.0 as of the measurement date and a maximum consolidated leverage ratio not to exceed 4.25 to 1.0 as of the measurement date (provided that the consolidated leverage ratio may be increased for a limited period to 5.0 to 1.0 in connection with a material acquisition). The consolidated interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreements and term loan) by consolidated interest expense (as defined in the credit agreements and term loan), both as measured on a trailing 12-month basis preceding the measurement date. As of December 31, 2017, our consolidated interest coverage ratio was 9.5 times. Consolidated interest expense excludes, among other things, interest expense on any

securitization indebtedness (as defined in the credit agreements and term loan). The consolidated leverage ratio is calculated by dividing consolidated total indebtedness (as defined in the credit agreements and which excludes, among other things, securitization indebtedness) as of the measurement date by consolidated EBITDA as measured on a trailing 12-month basis preceding the measurement date. As of December 31, 2017, our consolidated leverage ratio was 2.7 times. Covenants in these credit facilities and term loan also include limitations on indebtedness of material subsidiaries; liens; mergers, consolidations, liquidations and dissolutions; and the sale of all or substantially all of our assets. Events of default in these credit facilities and term loan include failure to pay interest, principal and fees when due; breach of a covenant or warranty; acceleration of or failure to pay other debt in excess of $50 million (excluding securitization indebtedness); insolvency matters; and a change of control.

All of our senior unsecured notes contain various covenants including limitations on liens, limitations on potential sale and leaseback transactions and change of control restrictions. In addition, there are limitations on mergers, consolidations and potential sale of all or substantially all of our assets. Events of default in the notes include failure to pay interest and principal when due, breach of a covenant or warranty, acceleration of other debt in excess of $50 million and insolvency matters.

As of December 31, 2017, we were in compliance with all of the financial covenants described above.

Each of our non-recourse, securitized term notes, and the bank conduit facilities contain various triggers relating to the performance of the applicable loan pools. If the vacation ownership contract receivables pool that collateralizes one of our securitization notes fails to perform within the parameters established by the contractual triggers (such as higher default or delinquency rates), there are provisions pursuant to which the cash flows for that pool will be maintained in the securitization as extra collateral for the note holders or applied to accelerate the repayment of outstanding principal to the note holders. As of December 31, 2017, all of our securitized loan pools were in compliance with applicable contractual triggers.

LIQUIDITY

Our vacation ownership business finances certain of its receivables through (i) an asset-backed bank conduit facilities and (ii) periodically accessing the capital markets by issuing asset-backed securities. None of the currently outstanding asset-backed securities contain any recourse provisions to us other than interest rate risk related to swap counterparties (solely to the extent that the amount outstanding on our notes differs from the forecasted amortization schedule at the time of issuance).

We believe that our $650 million bank conduit facility with a term throughAugust 2018 and our $750 million bank conduit facility with a term through January 2019, combined with our ability to issue term asset-backed securities, should provide sufficient liquidity for our expected sales pace, and we expect to have available liquidity to finance the sale of VOIs. As of December 31, 2017, we had $521 million of availability under these asset-backed bank conduit facilities. Any disruption to the asset-backed securities market could adversely impact our future ability to obtain asset-backed financings.

We maintain U.S. and European commercial paper programs under which we may issue unsecured commercial paper notes up to a maximum amount of $750 million and $500 million, respectively. We allocate a portion of our available capacity under our $1.5 billion revolving credit facility to repay outstanding commercial paper borrowings in the event that the commercial paper market is not available to us for any reason when outstanding borrowings mature. As of December 31, 2017, we had $147 million of outstanding borrowings, all of which were under our U.S. program, and the total available capacity was $1.1 billion under these programs.

We primarily utilize surety bonds at our vacation ownership business for sales and development transactions in order to meet regulatory requirements of certain states. In the ordinary course of our business, we have assembled commitments from 12 surety providers in the amount of $1.3 billion, of which $471 million was outstanding as of December 31, 2017. The availability, terms and conditions and pricing of such bonding capacity are dependent on, among other things, continued financial strength and stability of the insurance company affiliates providing the bonding capacity, general availability of such capacity and our corporate credit rating. If bonding capacity is unavailable, or alternatively, if the terms and conditions and pricing of such bonding capacity are unacceptable to us, our vacation ownership business could be negatively impacted.

In connection with our vacation ownership inventory sale transactions, which have conditional rights and conditional obligations to repurchase the completed properties, we are required to maintain an investment-grade credit rating from at least one rating agency. If at any time we fail to maintain such a rating, we are required to post collateral in favor of the development partner in an amount equal to the remaining obligation under the agreements. In January 2018, we amended the agreement to remove the requirement to post collateral for failure to maintain an investment-grade credit rating.

Our liquidity position may also be negatively affected by unfavorable conditions in the capital markets in which we operate or if our vacation ownership contract receivables portfolios do not meet specified portfolio credit parameters. Our liquidity as it relates to our vacation ownership contract receivables securitization program could be adversely affected if we were to fail to renew or replace our conduit facilities on their expiration dates, or if a particular receivables pool were to fail to meet certain ratios, which could occur in certain instances if the default rates or other credit metrics of the underlying vacation ownership contract receivables deteriorate. Our ability to sell securities backed by our vacation ownership contract receivables depends on the continued ability and willingness of capital market participants to invest in such securities.

Our senior unsecured debt is rated Baa3 with a “negative watch” by Moody’s Investors Service and BBB- with a “negative watch” by both Standard and Poor’s and Fitch Rating Agency. 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. Reference in this report to any such credit rating is intended for the limited purpose of discussing or referring to aspects of our liquidity and of our costs of funds. Any reference to a credit rating is not intended to be any guarantee or assurance of, nor should there be any undue reliance upon, any credit rating or change in credit rating, nor is any such reference intended as any inference concerning future performance, future liquidity or any future credit rating. Our credit ratings could be negatively affected by the spin-off transaction, our proposed acquisition of La Quinta and our pursuit of strategic alternatives for our European rentals business or other factors.

SEASONALITY

We experience seasonal fluctuations in our net revenues and net income from our franchise and management fees, annual membership fees, exchange and member-related transaction fees, commission income earned from renting vacation properties 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 due to increased leisure travel during the spring and summer months. Revenues from vacation exchange 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 vacation rentals are generally highest in the third quarter, when vacation arrivals are highest. Revenues from sales of VOIs are generally higher in the third quarter than in other quarters due to increased leisure travel. 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.

COMMITMENTS AND CONTINGENCIES

We are involved in claims, legal and regulatory proceedings, and governmental inquiries related to our businessLitigation is inherently unpredictable and, although we believe that our accruals are adequate and/or that we have valid defenses in these matters, unfavorable results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to us with respect to earnings and/ or cash flows in any given reporting period. As of December 31, 2017, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to approximately $86 million in excess of recorded accruals. However, we do not believe that the impact of such litigation should result in a material liability to us in relation to our consolidated financial position or liquidity.

CONTRACTUAL OBLIGATIONS

The following table summarizes our future contractual obligations for continuing operations for the 12-month periods beginning on January 1st of each of the years set forth below:

	2018	2019	2020	2021	2022	Thereafter	Total
Securitized debt [a]	$ 217	$ 529	$ 525	$ 151	$ 160	$ 516	$ 2,098
Long-term debt [b]	568	55	621	528	653	1,484	3,909
Interest on debt [c]	204	193	163	120	88	158	926
Operating leases	51	44	35	29	25	119	303
Purchase commitments [d]	235	108	122	36	26	26	553
Inventory sold subject to conditional repurchase [e]	33	36	38	56	30	—	193
Separation liabilities [f]	3	13	—	—	—	—	16
Total [g] [h]	$ 1,311	$ 978	$ 1,504	$ 920	$ 982	$ 2,303	$ 7,998

(a) Represents debt that is securitized through bankruptcy-remote SPEs, the creditors to which have no recourse to us for principal and interest.

(b) Includes $464 million of senior unsecured notes due during the first quarter of 2018, which we intend to refinance on a long-term basis and have the ability to do so with available capacity under our revolving credit facility.
(c) Includes interest on both securitized and long-term debt; estimated using the stated interest rates on our long-term and securitized debt.
(d) Includes (i) $228 million relating to the development of vacation ownership properties, of which $86 million is included within total liabilities on the Consolidated Balance Sheet, (ii) $162 million for information technology activities and (iii) $86 million for marketing related activities.
(e) Represents obligations to repurchase completed vacation ownership properties from third-party developers (see Note 10 – Inventory to the Consolidated Financial Statements for further detail) of which $60 million is included within total liabilities on the Consolidated Balance Sheet.
(f) Represents liabilities which we assumed and are responsible for pursuant to our Separation (See Note 26 – Cendant Separation and Transactions with Former Parent and Subsidiaries to the Consolidated Financial Statements for further details).
(g) Excludes a $46 million liability for unrecognized tax benefits associated with the guidance for uncertainty in income taxes since it is not reasonably estimable to determine the periods in which such liability would be settled with the respective tax authorities.
(h) Excludes other guarantees at our hotel group business as it is not reasonably estimable to determine the periods in which such commitments would be settled (See Other Commercial Commitments and Off-Balance Sheet Arrangements below).

In addition to amounts shown in the table above, we have $285 million of contractual obligations related to our discontinued operations, of which $76 million is due within one year. Such obligations primarily relate to operating and capital leases.

In addition to the above and in connection with our Separation from Cendant, we entered 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 and Realogy. These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and Cendant contingent and other corporate liabilities, of which we assumed and are responsible for 37.5%. 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 are responsible for a portion of the defaulting party or parties' obligation. We also provide a default guarantee related to certain deferred compensation arrangements related to certain current and former senior officers and directors of Cendant and Realogy. These arrangements were valued upon our Separation with the assistance of third-party experts in accordance with guidance for guarantees 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.

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. Purchase commitments made by us as of December 31, 2017 aggregated $553 million, of which $228 million were related to the development of vacation ownership properties,$162 million were for information technology activities and$86 million were for marketing-related activities.

Standard Guarantees/Indemnifications. In the ordinary course of business, we enter into agreements that contain standard guarantees and indemnities whereby we indemnify another party for specified breaches of or third-party claims relating to an underlying agreement. Such underlying agreements are typically entered into by one of our subsidiaries. The various underlying agreements generally govern purchases, sales or outsourcing of products or services, leases of real estate, licensing of software and/or development of vacation ownership properties, access to credit facilities, derivatives and issuances of debt securities. Also in the ordinary course of business, we provide corporate guarantees for our operating business units relating to merchant credit-card processing for prepaid customer stays and other deposits. While a majority of these guarantees and indemnifications extend only for the duration of the underlying agreement, some survive the expiration of the agreement. We are not able to estimate the maximum potential amount of future payments to be made under these guarantees and indemnifications as the triggering events are not predictable. In certain cases we maintain insurance coverage that may mitigate any potential payments.

Other Guarantees/Indemnifications. In the ordinary course of business, our 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 VOIs. We may be required to fund such excess as a result of unsold Company-owned VOIs or failure by owners to pay such assessments. In addition, from time to time, we will agree to reimburse certain owner associations up to 75% of their uncollected assessments. These guarantees extend for the duration of the underlying subsidy or similar agreement (which generally approximate one year and are renewable at our discretion on an annual basis). The maximum potential future payments that we could be required to make under these guarantees was approximately $360 million as of December 31, 2017. We would only be required to pay this maximum amount if none of the assessed owners paid their assessments. Any assessments collected from the owners of the VOIs 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 rentals. During 2017, 2016 and 2015, we made payments related to these guarantees of $11 million, $13 million and $15 million, respectively. As of December 31, 2017 and 2016, we maintained a liability in connection with these guarantees of $35 million and $33 million, respectively, on our Consolidated Balance Sheets.

We guarantee our vacation ownership subsidiary's obligations to repurchase completed property in Las Vegas, Nevada from the third-party developers subject to the properties meeting our vacation ownership resort standards and provided that the third-party developers have not sold the properties to another party. The maximum potential future payments that we may be required to make under these commitments was $133 million as of December 31, 2017.

As part of WAAM Fee-for-Service, we may guarantee to reimburse the developer a certain amount, or to purchase inventory from the developer at a percentage of the original sales price if certain future conditions exist. The maximum potential future payments that we could be required to make under these guarantees was approximately $40 million as of December 31, 2017. As of both December 31, 2017 and 2016, we had no recognized liabilities in connection with these guarantees.

In connection with our vacation ownership inventory sale transactions where we have conditional rights and conditional obligations to repurchase the completed properties, we are required to maintain an investment-grade credit rating from at least one rating agency. If at any time we fail to maintain such rating, we are required to post collateral in favor of the development partner in an amount equal to the remaining obligation under the agreements. In January 2018, we amended the agreement to remove the requirement to post collateral for failure to maintain an investment-grade credit rating from at least one rating agency.

We enter into hotel management agreements that provide the hotel owner with a guarantee of a certain level of profitability based upon various metrics. Under such agreements, we would be required to compensate the hotel owner for any shortfall over the life of the management agreement up to a specified aggregate amount. For certain agreements, we may be able to recapture a portion or all of the shortfall payments in the event that future operating results exceed targets. As of December 31, 2017, the remaining maximum potential amount of future payments that may be made under these guarantees is $116 million with an annual cap of $27 million. These guarantees have a remaining life of 3 to 7 years with a weighted average life of approximately 5 years. As of December 31, 2017, we maintained a liability of $23 million, on our Consolidated Balance Sheet, in connection with these guarantees. For guarantees subject to recapture provisions, we had a receivable of $41 million and $36 million as of December 31, 2017 and 2016, respectively. Such receivables were the result of payments made to date that are subject to recapture and which we believe will be recoverable from future operating performance (see Note 18 - Commitments and Contingencies to the Consolidated Financial Statements).

Securitizations. We pool qualifying vacation ownership contract receivables and sell them to bankruptcy-remote entities, all of which are consolidated into the accompanying Consolidated Balance Sheet as of December 31, 2017.

Letters of Credit. As of December 31, 2017, we had $49 million of irrevocable standby letters of credit outstanding, of which $1 million were backed by our revolving credit facilities. As of December 31, 2016, we had $69 million of irrevocable standby letters of credit outstanding, of which $1 million were backed by our revolving credit facility. Such letters of credit issued during 2017 and 2016 primarily supported the securitization of vacation ownership contract receivables funding, certain insurance policies and development activity at our vacation ownership business.

Surety Bonds. As of December 31, 2017, we had assembled commitments from 12 surety providers in the amount of $1.3 billion, of which $471 million was outstanding (See Note 18 - Commitments and Contingencies to the Consolidated Financial Statements).

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 impact to our consolidated 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, as prescribed in the guidance for 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 accordance with the requirements of the guidance for real estate time-sharing transactions, we must also take into consideration the fair value of certain incentives provided to the purchaser when assessing the adequacy of the purchaser's initial investment. In those cases where 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 ten years, and payments under the financing contracts begin within 45 days of the sale and receipt of the minimum down payment of 10%.

Allowance for Loan Losses. In our Vacation Ownership segment, we provide for estimated vacation ownership contract receivable defaults at the time of VOI sales by recording a provision for loan losses as a reduction of VOI sales on the Consolidated Statements of Income. We assess the adequacy of the allowance for loan losses based on the historical performance of similar vacation ownership contract receivables. We use a technique referred to as static pool analysis, which tracks defaults for each year's sales over the entire life of those contract receivables. We consider current defaults, past due aging, historical write-offs of contracts and consumer credit scores (FICO scores) in the assessment of a borrower's credit strength, down payment amount and expected loan performance. We also consider whether the historical economic conditions are comparable to current economic conditions. If current or expected future conditions differ from the conditions in effect when the historical experience was generated, we adjust the allowance for loan losses to reflect the expected effects of the current environment on the collectability of our vacation ownership contract receivables.

Inventory. Our inventory consists of completed VOIs, VOIs under construction, land held for future VOI development, vacation credits and real estate interests sold subject to conditional repurchase. We carry our inventory at the lower of cost, or estimated fair value less costs to sell, which can result in impairment charges and/or recoveries of previous impairments. Cost of VOIs includes all costs directly associated with the acquisition, development and construction of the underlying resort property, including capitalized interest, property taxes and certain other carrying costs incurred during the construction process.

We use the relative sales value method of costing and relieving our VOI inventory. This method requires us to make estimates subject to significant uncertainty, including future sales prices and volumes as well as credit losses and related inventory recoveries. The impact of any changes in estimates under the relative sales value method is recorded in cost of vacation ownership interests on the Consolidated Statements of Income in order to retrospectively adjust the margin previously recorded subject to those estimates.

Impairment of Long-Lived Assets. With regard to the goodwill and other indefinite-lived intangible assets recorded in connection with business combinations, we annually (during the fourth quarter of each year subsequent to completing our annual forecasting process), or more frequently if circumstances indicate that the value of goodwill may be impaired, review the reporting units' carrying values as required by the guidance for goodwill and other intangible assets. This is done either by performing a qualitative assessment or utilizing the two-step process, with an impairment being recognized only where the fair value is less than carrying value. In any given year we can elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is in excess of its carrying value. If it is not more likely than not that the fair value is in excess of the carrying value, or we elect to bypass the qualitative assessment, we would utilize the two-step process. The qualitative factors evaluated include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, our historical share price as well as other industry-specific considerations. We performed a qualitative assessment for impairment on each reporting unit's goodwill. Based on the results of our qualitative assessments performed during the fourth quarter of 2017, we determined that no impairment existed, nor do we believe there is a material risk of it being impaired in the near term at our hotel group, destination network and vacation ownership reporting units. To the extent estimated market-based valuation multiples and/or discounted cash flows are revised downward, we may be required to write-down all or a portion of goodwill, which would adversely impact earnings. During the third quarter of 2017, we decided to explore strategic alternatives for our European vacation rentals business, which was previously part of our Wyndham Destination Network segment, and in the fourth quarter of 2017, we commenced activities to facilitate the sale of this business. As a result, we performed a qualitative assessment of our remaining Destination Network segment and determined that no impairment exists.

We also determine whether the carrying value of other indefinite-lived intangible assets is impaired on an annual basis or more frequently if indicators of potential impairment exist. Application of the other indefinite-lived intangible assets impairment test requires judgment in the assumptions underlying the approach used to determine fair value. The fair value of each other indefinite-lived intangible asset is estimated using a discounted cash flow methodology. This analysis requires significant judgments, including anticipated market conditions, operating expense trends, estimation of future cash flows, which are dependent on internal forecasts, and estimation of long-term rate of growth. The estimates used to calculate the fair value of other indefinite-lived intangible assets change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and the other indefinite-lived intangible assets impairment.

We also evaluate the recoverability of our other long-lived assets, including property and equipment and amortizable intangible assets, if circumstances indicate impairment may have occurred, pursuant to guidance for 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 segment. 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.

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 the guidance for 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.

Guarantees. We may enter into performance guarantees related to certain hotels that we manage. Upon the inception date of the guarantee, we record a performance liability that is measured at fair value. In order to estimate its fair value, we use a weighted probability approach to determine the probability of possible outcomes. The valuation methodology requires that we make certain assumptions and judgments regarding: discount rates, volatility and hotel operating results. The fair value is established at inception and is not revalued due to future changes in assumptions.

Certain of our performance guarantees have recapture provisions, which allow us to recover amounts funded under such guarantees. We record receivables for such amounts expected to be recovered in the future. We make certain assumptions and judgments regarding the recoverability of these receivables, which includes reviewing hotel operating results and current hotel projections.

Income Taxes. We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities using currently enacted tax rates. We recognize the effects of changes in tax laws, or rates, as a component of income taxes from continuing operations within the period that includes the enactment date. 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 may increase or decrease our valuation allowance resulting in an increase or decrease in our effective tax rate, which could materially impact our results of operations.

For tax positions we have taken or expect to take in our tax return, we apply a more likely than not threshold, under which we must conclude a tax position is more likely than not to be sustained, assuming that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information, in order to recognize or continue to recognize the benefit. In determining our provision for income taxes, we use judgment, reflecting our estimates and assumptions, in applying the more likely than not threshold.

Adoption of Accounting Pronouncements

During 2015, we adopted guidance related to reporting discontinued operations and disclosures of disposals of components of an entity and disclosure of uncertainties about an entity's ability to continue as a going concern. During 2016, we adopted

guidance related to (i) management's evaluation of consolidation for certain legal entities, (ii) customer's accounting for fees paid in a cloud computing arrangement, (iii) simplifying the presentation of debt issuance costs, (iv) simplifying the accounting for measurement-period adjustments, and (v) balance sheet classification of deferred taxes. During 2017, we adopted guidance related to simplifying the measurement of inventory and accounting for share-based payment transactions, including the income tax consequences and classification of awards as either equity or liabilities. For detailed information regarding these standards and the impact thereof on our financial statements, see Note 2 - Summary of Significant Accounting Policies to the Consolidated Financial Statements.

ITEM 7A. 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 and options are also used to manage and reduce the foreign currency exchange rate risk associated with our foreign currency denominated receivables and payables, and forecasted royalties, forecasted earnings and cash flows 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 Consolidated Financial Statements. Our principal market exposures are interest and foreign currency rate risks.

- Our primary interest rate exposure as ofDecember 31, 2017 was to interest rate fluctuations in the United States, specifically LIBOR and asset-backed commercial paper interest rates due to their impact on variable rate borrowings and other interest rate sensitive liabilities. In addition, interest rate movements in one country, as well as relative interest rate movements between countries can impact us. We anticipate that LIBOR and asset-backed 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 particularly with respect to the British pound, Euro and the Canadian and Australian 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 foreign currency exchange rates. A hypothetical 10% change in our effective weighted average interest rate would not generate a material change in interest expense.

Our variable rate borrowings, which include our commercial paper, term loan, securitized bank conduit facilities, revolving credit facilities and a portion of senior unsecured fixed-rate notes which have been swapped to a variable interest rate, exposes us to risks caused by fluctuations in the applicable interest rates. The total outstanding balance of such variable rate borrowings at December 31, 2017 was approximately $900 million in securitized debt and $1.3 billion in long-term debt. A 100 basis point change in the underlying interest rates would result in approximately a $9 million increase or decrease in annual consumer financing interest expense and a $12 million increase or decrease in annual long-term debt interest expense.

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 and liabilities. We use a discounted cash flow model in determining the fair values of vacation ownership contract receivables. 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 our foreign currency derivatives used by us to hedge underlying exposure that primarily consist of the non-functional current assets and liabilities of us and our subsidiaries. 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 December 31, 2017. The gains and losses on the hedging instruments are largely offset by the gains and losses on the underlying assets, liabilities or expected cash flows. As of December 31, 2017, the absolute notional amount of our outstanding foreign exchange hedging instruments was $371 million, of which, $200 million relates to our discontinued operations. We have determined through such analyses, that a hypothetical 10% change in foreign currency exchange rates would not generate a material increase or decrease to the fair value of our outstanding forward foreign currency exchange contracts, which would generally be offset by an opposite effect on the underlying exposure being economically hedged.

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 December 31, 2017 market rates on outstanding financial instruments to perform the sensitivity analysis separately for each of our market risk exposures — interest and foreign 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.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Financial Statements and Financial Statement Index commencing on page F-1 hereof.

ITEM 9. CHANGE IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures. Our management, with the participation of our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on such evaluation, our principal executive and principal financial officers have concluded that, as of the end of such period, our disclosure controls and procedures were effective and operating to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2017. In making this assessment, management used the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this assessment, our management believes that, as of December 31, 2017, our internal control over financial reporting is effective. Our independent registered public accounting firm has issued an attestation report on the effectiveness of our internal control over financial reporting, which is included within their audit opinion on page F-2.

There have been no changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the most recent fiscal quarter to which this report relates that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

Table of Contents

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except as otherwise disclosed, the information required by this item is included in the Proxy Statement for our 2018 Annual Meeting of Shareholders and is incorporated by reference in this report.

Identification of Executive Officers.

The following provides information for each of our executive officers.

Stephen P. Holmes, 61, has served as our Chairman, Chief Executive Officer and a Director since July 2006. Mr. Holmes was Vice Chairman and director of Cendant Corporation and Chairman and Chief Executive Officer of Cendant’s Travel Content Division from December 1997 to July 2006. Mr. Holmes was Vice Chairman of HFS Incorporated from September 1996 to December 1997, a director of HFS from June 1994 to December 1997 and Executive Vice President, Treasurer and Chief Financial Officer of HFS from July 1990 to September 1996.

David B. Wyshner, 50, has served as our Chief Financial Officer since August 2017. Mr. Wyshner served as Chief Financial Officer of Avis Budget Group, Inc. from August 2006 to June 2017 and also served as Avis' President from January 2016 to June 2017. At Avis Budget Group, Mr. Wyshner held the titles of Senior Executive Vice President from October 2011 to December 2015 and Executive Vice President from August 2006 to October 2011. Mr. Wyshner previously held several key roles at Cendant Corporation, starting in 1999, including as Executive Vice President and Treasurer, and Vice Chairman of the Travel Content Division, which included the Avis and Budget vehicle rental businesses as well as many of Wyndham Worldwide's businesses. Prior to joining Cendant, Mr. Wyshner served as Vice President in Merrill Lynch & Co.'s investment banking division.

Geoffrey A. Ballotti, 56, has served as President and Chief Executive Officer of Wyndham Hotel Group since March 2014. Mr. Ballotti served as Chief Executive Officer, Wyndham Destination Network, from March 2008 to March 2014. From October 2003 to March 2008, Mr. Ballotti was President, North America Division of Starwood Hotels and Resorts Worldwide. From 1989 to 2003, Mr. Ballotti held leadership positions of increasing responsibility at Starwood Hotels and Resorts Worldwide including President of Starwood North America, Executive Vice President, Operations, Senior Vice President, Southern Europe and Managing Director, Ciga Spa, Italy. Prior to Starwood Hotels and Resorts Worldwide, Mr. Ballotti was a Banking Officer in the Commercial Real Estate Group at the Bank of New England.

Gail Mandel, 49, has served as President and Chief Executive Officer of Wyndham Destination Network since November 2014. Ms. Mandel was Chief Operating Officer and Chief Financial Officer, Wyndham Destination Network, from March 2014 to November 2014 and Chief Financial Officer, Wyndham Destination Network, from January 2010 to March 2014. From August 2006 to January 2010, Ms. Mandel was Senior Vice President, Financial Planning & Analysis, for Wyndham Worldwide. From February 1999 to August 2006, Ms. Mandel was Division Controller, Cendant Hospitality Services. From October 1997 to February 1999, Ms. Mandel was Controller, Cendant Mobility. From September 1993 to October 1997, Ms. Mandel served in finance positions for HFS including Director, Business Development, Director, Corporate Audit and Manager, Internal Audit.

Michael D. Brown, 47, has served as President and Chief Executive Officer of Wyndham Vacation Ownership since April 2017. Mr. Brown was Chief Operating Officer at Hilton Grand Vacations from December 2014 to April 2017 and Executive Vice President, Sales and Marketing - Mainland U.S. and Europe at Hilton Grand Vacations from July 2008 to December 2014. Prior to joining Hilton Grand Vacations in July 2008, Mr. Brown served in a series of sales, development, operations, and finance leadership roles throughout the U.S., Europe and the Caribbean during his more than 16 years at Marriott International and Marriott Vacation Club International.

Mary R. Falvey, 57, has served as our Executive Vice President and Chief Human Resources Officer since July 2006. Ms. Falvey was Executive Vice President, Global Human Resources for Cendant’s Vacation Network Group from April 2005 to July 2006. 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.

Scott G. McLester, 55, has served as our Executive Vice President and General Counsel since July 2006. Mr. McLester was Senior Vice President, Legal for Cendant from April 2004 to July 2006, Group Vice President, Legal from March 2002 to April 2004, Vice President, Legal from February 2001 to March 2002 and Senior Counsel 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.

Nicola Rossi, 51, has served as our Senior Vice President and Chief Accounting Officer since July 2006. Mr. Rossi was Vice President and Controller of Cendant's Hotel Group from June 2004 to July 2006. 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 and from June 1999 to March 2000 was Assistant Corporate Controller of Jacuzzi Brands, Inc.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is included in the Proxy Statement under the captions "Compensation of Directors," "Executive Compensation" and "Committees of the Board" and is incorporated by reference in this report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information as of December 31, 2017

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	2.5 million[a]	$80.80[b]	15.6 million[c]
Equity compensation plans not approved by security holders	None	Not applicable	Not applicable

(a) Consists of shares issuable upon exercise of stock settled stock appreciation rights, restricted stock units and performance vested restricted stock units at the maximum achievement level under the 2006 Equity and Incentive Plan, as amended.

(b) Consists of weighted-average exercise price of outstanding stock settled stock appreciation rights and restricted stock units (excludes the weighted-average exercise price of the performance vested restricted stock units at the maximum achievement level).

(c) Consists of shares available for future grants under the 2006 Equity and Incentive Plan, as amended.

The remaining information required by this item is included in the Proxy Statement under the caption "Ownership of Company Stock" and is incorporated by reference in this report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item is included in the Proxy Statement under the captions "Related Party Transactions" and "Governance of the Company" and is incorporated by reference in this report.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is included in the Proxy Statement under the captions "Disclosure About Fees" and "Pre-Approval of Audit and Non-Audit Services" and is incorporated by reference in this report.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

ITEM 15 (a)(1) FINANCIAL STATEMENTS

See Financial Statements and Financial Statements Index commencing on page F-1 hereof.

ITEM 15 (a)(3) EXHIBITS

See Exhibit Index commencing on page G-1 hereof.

The agreements included or incorporated by reference as exhibits to this report contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the contractual risk to one of the parties if those statements prove to be inaccurate, (ii) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, (iii) may apply contract standards of “materiality” that are different from “materiality” under the applicable securities laws, (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement, (v) may be qualified by a confidential disclosure schedule that contains some nonpublic information that is not material under applicable securities laws, and (vi) only parties to such agreement and specified third party beneficiaries, if any, have a right to enforce the agreement. We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this report not misleading.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WYNDHAM WORLDWIDE CORPORATION

By: /s/ STEPHEN P. HOLMES

Stephen P. Holmes
Chairman and Chief Executive Officer
Date: February 16, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ STEPHEN P. HOLMES **Stephen P. Holmes**	Chairman and Chief Executive Officer (Principal Executive Officer)	February 16, 2018
/s/ DAVID B. WYSHNER **David B. Wyshner**	Chief Financial Officer (Principal Financial Officer)	February 16, 2018
/s/ NICOLA ROSSI **Nicola Rossi**	Chief Accounting Officer (Principal Accounting Officer)	February 16, 2018
/s/ MYRA J. BIBLOWIT **Myra J. Biblowit**	Director	February 16, 2018
/s/ LOUISE F. BRADY **Louise F. Brady**	Director	February 16, 2018
/s/ JAMES E. BUCKMAN **James E. Buckman**	Director	February 16, 2018
/s/ GEORGE HERRERA **George Herrera**	Director	February 16, 2018
/s/ THE RIGHT HONOURABLE BRIAN MULRONEY **The Right Honourable Brian Mulroney**	Director	February 16, 2018
/s/ PAULINE D.E. RICHARDS **Pauline D.E. Richards**	Director	February 16, 2018
/s/ MICHAEL H. WARGOTZ **Michael H. Wargotz**	Director	February 16, 2018

INDEX TO ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Statements of Income for the years ended December 31, 2017, 2016 and 2015	F-4
Consolidated Statements of Comprehensive Income for the years ended December 31, 2017, 2016 and 2015	F-5
Consolidated Balance Sheets as of December 31, 2017 and 2016	F-6
Consolidated Statements of Cash Flows for the years ended December 31, 2017, 2016 and 2015	F-7
Consolidated Statements of Equity for the years ended December 31, 2017, 2016 and 2015	F-8
Notes to Consolidated Financial Statements	F-9

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Wyndham Worldwide Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting
We have audited the accompanying consolidated balance sheets of Wyndham Worldwide Corporation and subsidiaries (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of income, comprehensive income, cash flows, and equity for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

Basis for Opinions
The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP
Parsippany, New Jersey
February 16, 2018

We have served as the Company's auditor since 2005.

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)

	Year Ended December 31,		
	2017	2016	2015
Net revenues			
Service and membership fees	$ 1,895	$ 1,879	$ 1,861
Vacation ownership interest sales	1,689	1,606	1,604
Franchise fees	695	677	674
Consumer financing	463	440	427
Other	334	324	312
Net revenues	5,076	4,926	4,878
Expenses			
Operating	2,194	2,144	2,096
Cost of vacation ownership interests	150	146	165
Consumer financing interest	74	75	74
Marketing and reservation	773	740	723
General and administrative	648	631	685
Separation-related	51	—	—
Impairment	246	—	7
Restructuring	15	14	6
Depreciation and amortization	213	202	187
Total expenses	4,364	3,952	3,943
Operating income	712	974	935
Other income, net	(27)	(21)	(16)
Interest expense	156	133	122
Early extinguishment of debt expense	—	11	—
Interest income	(7)	(7)	(8)
Income before income taxes	590	858	837
(Benefit)/provision for income taxes	(229)	313	285
Income from continuing operations	819	545	552
Income from discontinued operations, net of income taxes	53	67	60
Net income	872	612	612
Net income attributable to noncontrolling interest	(1)	(1)	—
Net income attributable to Wyndham shareholders	$ 871	$ 611	$ 612
Basic earnings per share			
Continuing operations	$ 7.94	$ 4.96	$ 4.67
Discontinued operations	0.52	0.60	0.51
	$ 8.46	$ 5.56	$ 5.18
Diluted earnings per share			
Continuing operations	$ 7.89	$ 4.93	$ 4.63
Discontinued operations	0.51	0.60	0.51
	$ 8.40	$ 5.53	$ 5.14

See Notes to Consolidated Financial Statements.

Table of Contents

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Year Ended December 31,		
	2017	**2016**	**2015**
Net income	$ 872	$ 612	$ 612
Other comprehensive income/(loss), net of tax			
Foreign currency translation adjustments	103	(40)	(106)
Unrealized gains/(losses) on cash flow hedges	(1)	—	5
Defined benefit pension plans	1	1	3
Other comprehensive income/(loss), net of tax	103	(39)	(98)
Comprehensive income	975	573	514
Net income attributable to noncontrolling interest	(1)	(1)	—
Comprehensive income attributable to Wyndham shareholders	$ 974	$ 572	$ 514

See Notes to Consolidated Financial Statements.

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	December 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 100	$ 113
Trade receivables, net	385	376
Vacation ownership contract receivables, net	252	262
Inventory	340	310
Prepaid expenses	144	131
Other current assets	314	260
Assets held for sale	1,429	360
Total current assets	2,964	1,812
Long-term vacation ownership contract receivables, net	2,649	2,515
Non-current inventory	909	1,035
Property and equipment, net	1,081	1,028
Goodwill	1,336	1,221
Trademarks, net	736	687
Franchise agreements and other intangibles, net	348	331
Other non-current assets	380	355
Non-current assets held for sale	—	835
Total assets	$ 10,403	$ 9,819
Liabilities and Equity		
Current liabilities:		
Securitized vacation ownership debt	$ 217	$ 195
Current portion of long-term debt	104	22
Accounts payable	256	213
Deferred income	493	421
Accrued expenses and other current liabilities	753	717
Liabilities held for sale	716	464
Total current liabilities	2,539	2,032
Long-term securitized vacation ownership debt	1,881	1,946
Long-term debt	3,805	3,278
Deferred income taxes	790	1,167
Deferred income	164	194
Other non-current liabilities	341	353
Non-current liabilities held for sale	—	131
Total liabilities	9,520	9,101
Commitments and contingencies (Note 18)		
Stockholders' equity:		
Preferred stock, $.01 par value, authorized 6,000,000 shares, none issued and outstanding	—	—
Common stock, $.01 par value, authorized 600,000,000 shares, issued 218,796,817 shares in 2017 and 218,198,050 shares in 2016	2	2
Treasury stock, at cost – 118,887,441 shares in 2017 and 112,617,112 shares in 2016	(5,719)	(5,118)
Additional paid-in capital	3,996	3,966
Retained earnings	2,609	1,977
Accumulated other comprehensive loss	(10)	(113)
Total stockholders' equity	878	714
Noncontrolling interest	5	4
Total equity	883	718
Total liabilities and equity	$ 10,403	$ 9,819

See Notes to Consolidated Financial Statements.

Table of Contents

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2017	2016	2015
Operating Activities			
Net income	$ 872	$ 612	$ 612
Income from discontinued operations, net of tax	(53)	(67)	(60)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	213	202	187
Provision for loan losses	420	342	248
Deferred income taxes	(404)	94	40
Stock-based compensation	70	68	58
Excess tax benefits from stock-based compensation	—	(9)	(17)
Impairments	246	—	7
Loss on early extinguishment of debt	—	11	—
Non-cash interest	22	23	22
Net change in assets and liabilities, excluding the impact of acquisitions:			
Trade receivables	(3)	1	(24)
Vacation ownership contract receivables	(526)	(405)	(295)
Inventory	(71)	(26)	(25)
Prepaid expenses	(13)	7	(11)
Other current assets	(21)	5	32
Accounts payable, accrued expenses and other current liabilities	92	7	80
Deferred income	20	8	16
Other, net	16	(27)	1
Cash provided by operating activities - continuing operations	880	846	871
Cash provided by operating activities - discontinued operations	107	127	120
Net cash provided by operating activities	987	973	991
Investing Activities			
Property and equipment additions	(153)	(160)	(189)
Net assets acquired, net of cash acquired	(193)	(91)	(95)
Payments of development advance notes	(9)	(9)	(9)
Proceeds from development advance notes	7	3	6
Equity investments and loans	(24)	(8)	(5)
Proceeds from sale of business and asset sales	6	16	21
(Increase)/decrease in securitization restricted cash	(16)	3	4
Increase in escrow deposit restricted cash	(2)	—	(5)
Other, net	22	(13)	8
Cash used in investing activities - continuing operations	(362)	(259)	(264)
Cash used in investing activities - discontinued operations	(32)	(94)	(38)
Net cash used in investing activities	(394)	(353)	(302)
Financing Activities			
Proceeds from securitized borrowings	2,002	2,079	1,712
Principal payments on securitized borrowings	(2,053)	(2,044)	(1,747)
Proceeds from long-term debt	1,629	112	110
Principal payments on long-term debt	(1,294)	(143)	(165)
(Repayments of)/ proceeds from commercial paper, net	(280)	318	(79)
Proceeds from term loan and notes issued	694	325	348
Repurchase of notes	(300)	(327)	—
Proceeds from vacation ownership inventory arrangements	—	20	70
Repayments of vacation ownership inventory arrangements	(41)	(26)	(7)
Dividends to shareholders	(242)	(223)	(202)
Repurchase of common stock	(599)	(619)	(658)
Excess tax benefits from stock-based compensation	—	9	17
Debt issuance costs	(10)	(20)	(21)
Net share settlement of incentive equity awards	(39)	(36)	(42)
Other, net	(5)	(1)	(3)
Cash used in financing activities - continuing operations	(538)	(576)	(667)
Cash used in financing activities - discontinued operations	(21)	(10)	(8)
Net cash used in financing activities	(559)	(586)	(675)
Effect of changes in exchange rates on cash and cash equivalents	14	(20)	(26)
Net increase/(decrease) in cash and cash equivalents	48	14	(12)
Cash and cash equivalents, beginning of period	185	171	183

Cash and cash equivalents, end of period	233	185	171
Less cash and cash equivalents of discontinued operations, end of period	133	72	204
Cash and equivalents of continuing operations, end of period	$ 100	$ 113	$ (33)

See Notes to Consolidated Financial Statements.

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY
(In millions)

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Non-controlling Interest	Total Equity
Balance as of December 31, 2014	**121**	**$ 2**	**$ (3,843)**	**$ 3,889**	**$ 1,183**	**$ 24**	**$ 2**	**$ 1,257**
Net income	—	—	—	—	612	—	—	612
Other comprehensive loss	—	—	—	—	—	(98)	—	(98)
Issuance of shares for RSU vesting	1	—	—	—	—	—	—	—
Net share settlement of incentive equity awards	—	—	—	(42)	—	—	—	(42)
Change in deferred compensation	—	—	—	58	—	—	—	58
Change in deferred compensation for Board of Directors	—	—	—	1	—	—	—	1
Repurchase of common stock	(8)	—	(650)	—	—	—	—	(650)
Change in excess tax benefit on equity awards	—	—	—	17 —	—	—	—	17
Dividends	—	—	—	—	(203)	—	—	(203)
Other	—	—	—	—	—	—	1	1
Balance as of December 31, 2015	**114**	**$ 2**	**$ (4,493)**	**$ 3,923**	**$ 1,592**	**$ (74)**	**$ 3**	**$ 953**
Net income	—	—	—	—	611	—	1	612
Other comprehensive loss	—	—	—	—	—	(39)	—	(39)
Issuance of shares for RSU vesting	1	—	—	—	—	—	—	—
Net share settlement of incentive equity awards	—	—	—	(36)	—	—	—	(36)
Change in deferred compensation	—	—	—	68	—	—	—	68
Change in deferred compensation for Board of Directors	—	—	—	1	—	—	—	1
Repurchase of common stock	(9)	—	(625)	—	—	—	—	(625)
Change in excess tax benefit on equity awards	—	—	—	9	—	—	—	9
Dividends	—	—	—	—	(226)	—	—	(226)
Other	—	—	—	1	—	—	—	1
Balance as of December 31, 2016	**106**	**$ 2**	**$ (5,118)**	**$ 3,966**	**$ 1,977**	**$ (113)**	**$ 4**	**$ 718**
Net income	—	—	—	—	871	—	1	872
Other comprehensive income	—	—	—	—	—	103	—	103
Net share settlement of incentive equity awards	—	—	—	(39)	—	—	—	(39)
Change in deferred compensation	—	—	—	68	—	—	—	68
Change in deferred compensation for Board of Directors	—	—	—	2	—	—	—	2
Repurchase of common stock	(6)	—	(601)	—	—	—	—	(601)
Dividends	—	—	—	—	(239)	—	—	(239)
Other	—	—	—	(1)	—	—	—	(1)
Balance as of December 31, 2017	**100**	**$ 2**	**$ (5,719)**	**$ 3,996**	**$ 2,609**	**$ (10)**	**$ 5**	**$ 883**

See Notes to Consolidated Financial Statements.

WYNDHAM WORLDWIDE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts are in millions, except share and per share amounts)

1. Basis of Presentation

Wyndham Worldwide Corporation ("Wyndham" or the "Company") is a global provider of hospitality services and products. The accompanying Consolidated Financial Statements include the accounts and transactions of Wyndham, as well as the entities in which Wyndham directly or indirectly has a controlling financial interest. The accompanying Consolidated 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 Consolidated Financial Statements.

In presenting the Consolidated Financial Statements, management makes estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates and assumptions. In management's opinion, the Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of annual results reported.

Business Description

The Company operates in the following business segments:

- **Hotel Group**—primarily franchises hotels in the upscale, upper midscale, midscale, economy and extended stay segments and provides hotel management services for full-service and select limited-service hotels.
- **Destination Network**—provides vacation exchange services and products to owners of vacation ownership interests ("VOIs") and manages and markets vacation rental properties primarily on behalf of independent owners.
- **Vacation Ownership**—develops, markets and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts.

In 2017, the Company announced its intent to spin-off the hotel group business, which will result in operations being held by two separate, publicly traded companies. The two public companies intend to enter into long-term exclusive license agreements to retain their affiliation with the Company's Wyndham Rewards loyalty program, as well as to continue to collaborate on inventory-sharing and customer cross-sell initiatives. The transaction is expected to result in enhanced strategic and management focus on the core business and growth of each company; more efficient capital allocation, direct access to capital and expanded growth opportunities for each company; the ability to implement a tailored approach to recruiting and retaining employees at each company; improved investor understanding of the business strategy and operating results of each company; and enhanced investor choice by offering investment opportunities in separate entities. The transaction will be effected through a pro rata distribution of the new hotel company's stock to Wyndham's shareholders and is expected to be completed in the second quarter of 2018.

In addition, during the third quarter of 2017, the Company decided to explore strategic alternatives for its European vacation rentals business, which was previously part of the Wyndham Destination Network segment and in the fourth quarter of 2017, the Company commenced activities to facilitate the sale of this business. As a result, for all periods presented, the Company has classified the results of operations for the European vacation rentals business as discontinued operations in the Consolidated Statements of Income and classified the related assets and liabilities associated with this business as held for sale in the Consolidated Balance Sheets. All results and information presented exclude the European vacation rentals business unless otherwise noted (see Note 3 - Discontinued Operations in the Notes to Consolidated Financial Statements).

2. Summary of Significant Accounting Policies

PRINCIPLES OF CONSOLIDATION

When evaluating an entity for consolidation, the Company first determines whether an entity is within the scope of the guidance for consolidation of variable interest entities ("VIE") and if it is deemed to be a 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 a VIE upon a determination that it has a controlling financial interest. For entities where the Company does not have a controlling financial interest, the investments in such entities are classified as available-for-sale securities or accounted for using the equity or cost method, as appropriate.

REVENUE RECOGNITION

Hotel Group

The principal source of revenues from franchising hotels is ongoing royalty fees, which are typically a percentage of gross room revenues of each franchised hotel and are recognized as revenue upon becoming due from the franchisee. An estimate of uncollectible ongoing royalty fees is charged to bad debt expense and included in operating expenses on the Consolidated Statements of Income. Hotel Group revenues also include initial franchise fees, which are recognized as revenues when all material services or conditions have been substantially performed, which is either when a franchised hotel opens for business or when a franchise agreement is terminated after it has been determined that the franchised hotel will not open.

The Company's franchise agreements also require the payment of marketing and reservation fees, which are intended to reimburse the Company for expenses associated with operating an international, centralized, brand-specific reservations system, e-commerce channels such as the Company's brand.com websites, as well as access to third-party distribution channels, such as online travel agents, advertising and marketing programs, global sales efforts, operations support, training and other related services. Marketing and reservation fees are recognized as revenue upon becoming due from the franchisee. An estimate of uncollectible ongoing marketing and reservation fees is charged to bad debt expense and included in marketing and reservation expenses in the Consolidated Statements of Income.

Generally, 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 earned are expensed as incurred. In accordance with its franchise agreements, the Company includes an allocation of costs required to carry out marketing and reservation activities within marketing and reservation expenses.

The Company also earns revenues from its Wyndham Rewards loyalty program when a member stays at a participating hotel. These revenues are derived from a fee the Company charges based upon a percentage of room revenues generated from such stay. These fees are to reimburse the Company for expenses associated with member redemptions and activities that are related to the overall administering and marketing of the program. This fee is recognized as revenue upon becoming due from the franchisee. Since the Company is obligated to expend the fees it collects from franchisees, revenues earned in excess of costs incurred are accrued as a liability for future costs to support the program. In addition, the Company earns revenue from its co-branded Wyndham Rewards credit card program which is primarily generated by cardholder spending and the enrollment of new cardholders. The advance payments received under the Company's co-branded credit program are deferred and recognized as earned over the term of the arrangement.

The Company also provides management services for hotels under management contracts, which offer all the benefits of a global brand and a full range of management, marketing and reservation services. In addition to the standard franchise services described above, the Company's hotel management business provides hotel owners with professional oversight and comprehensive operations support services such as hiring, training and supervising the managers and employees that operate the hotels as well as annual budget preparation, financial analysis and extensive food and beverage services. The Company's standard management agreement typically has a term of up to 25 years. The Company's management fees are comprised of base fees, which are typically a specified percentage of gross revenues from hotel operations, and incentive fees, which are typically a specified percentage of a hotel's gross operating profit. Management fee revenues are recognized as the services are performed and when the earnings process is complete and are recorded as a component of franchise fee revenues on the Consolidated Statements of Income. Management fee revenues were $25 million, $22 million and $23 million during 2017, 2016 and 2015, respectively. The Company also recognizes as revenue reimbursable payroll costs for operational employees at certain of the Company's managed hotels. Although these costs are funded by hotel owners, accounting guidance requires the Company to report these fees on a gross basis as both revenues and expenses. The revenues are recorded as a component of service and membership fees while the offsetting expenses are reflected as a component of operating expenses on the

Consolidated Statements of Income. As such, there is no effect on the Company's operating income. Revenues related to these reimbursable payroll costs were $264 million, $271 million and $273 million in 2017, 2016 and 2015, respectively, and are reported as a component of service and membership fees on the Consolidated Statements of Income.

The Company also earns revenues from hotel ownership. The Company's ownership portfolio is limited to two hotels in locations where it has developed timeshare units. Revenues earned from the Company's owned hotels consist primarily of (i) gross room night rentals, (ii) food and beverage services and (iii) on-site spa, casino, golf and shop revenues. These revenues are recognized upon the completion of services to its guests.

Destination Network

As a provider of vacation exchange services, the Company enters into affiliation agreements with developers of vacation ownership properties to allow owners of VOIs to trade their intervals for intervals at other properties affiliated with the Company's RCI brand and, for some members, for other leisure-related services and products. 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 RCI brand derives a majority of its revenues from annual membership dues and exchange fees from RCI members trading their intervals. Revenues from annual membership dues represent the annual fees from RCI members who, for additional fees, have the right to exchange their intervals for intervals at other properties affiliated with the Company's exchange network and, for certain members, for other leisure-related services and products. The Company recognizes revenues from annual membership dues 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 intervals at other properties affiliated with the Company's exchange network or for other leisure-related services and products. The Company also offers other exchange-related products that provide RCI members the ability to (i) protect trading power or points, (ii) extend the life of deposits and (iii) combine two or more deposits for the opportunity to exchange into intervals with higher trading power. Exchange fees and other exchange-related product fees are recognized as revenues, net of expected cancellations, when these transactions have been confirmed to the member.

The Company's vacation rental brands derive revenue from fees associated with the rental of vacation rental properties on behalf of independent owners. The Company remits the rental fee received from the renter to the independent owner, net of the Company's agreed-upon fee. The revenue from such fees, net of expected refunds, is recognized ratably over the renter's stay, which is the period over which the service is rendered. The Company's vacation rental brands also derive revenues from additional services delivered to independent owners, vacation rental guests and property owner associations that are generally recognized at a point in time when the service is delivered.

Vacation Ownership

The Company develops, markets and sells VOIs to individual consumers, provides property management services at resorts and provides consumer financing in connection with the sale of VOIs. The Company's vacation ownership business derives the majority of its revenues from sales of VOIs and other revenues from consumer financing and property management. The Company's sales of VOIs are either cash sales or developer-financed sales. In order for the Company to recognize revenues from VOI sales under the full accrual method of accounting described in the guidance for 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 from 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 accordance with the guidance for accounting for real estate time-sharing transactions, the Company must also take into consideration the fair value of certain incentives provided to the purchaser when assessing the adequacy of the purchaser's initial investment. In those cases where 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.

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 ("POC") 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 incurred to total estimated costs. These estimated costs are based upon historical experience and the related contractual terms. The remaining revenues and related costs of sales, including commissions and direct expenses, are deferred and recognized as the remaining costs are incurred. As of December 31, 2017 and 2016, there were no revenues deferred under the POC method of accounting. During 2015, gross VOI sales were increased by$13 million representing the net change in revenues that was deferred under the POC method of accounting.

The Company also offers consumer financing as an option to customers purchasing VOIs, which are typically collateralized by the underlying VOI. The contractual terms of Company-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 10 years and payments under the financing contracts begin within 45 days of the sale and receipt of the minimum down payment of 10%. An estimate of uncollectible amounts is recorded at the time of the sale with a charge to the provision for loan losses, which is classified as a reduction of VOI sales on the Consolidated Statements of Income. The interest income earned from the financing arrangements is earned on the principal balance outstanding over the life of the arrangement and is recorded within consumer financing on the Consolidated Statements of Income.

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. The Company receives fees for such property management services which are generally based upon total costs to operate such resorts. Fees for property management services typically approximate 10% of budgeted operating expenses. Property management fee revenues are recognized when the services are performed and are recorded as a component of service and membership fees on the Consolidated Statements of Income. Property management revenues, which are comprised of management fee revenue and reimbursable revenue, were $692 million, $660 million and $615 million during 2017, 2016 and 2015, respectively. Management fee revenues were $300 million, $287 million and $275 million during 2017, 2016 and 2015, respectively. Reimbursable revenues, which are based upon certain reimbursable costs with no added margin, were $392 million, $373 million and $340 million during 2017, 2016 and 2015, respectively. These reimbursable costs principally relate to the payroll costs for management of the associations, club and resort properties where the Company is the employer and are reflected as a component of operating expenses on the Consolidated Statements of Income. One of the associations that the Company manages paid its Wyndham Destination Network segment $29 million, $26 million, and $24 million for exchange services during 2017, 2016 and 2015, respectively.

Other Items

The Company records marketing and reservation revenues, Wyndham Rewards revenues, RCI Elite Rewards revenues and hotel/property management services revenues for its Hotel Group, Destination Network and Vacation Ownership segments, in accordance with the guidance for reporting revenues gross as a principal versus net as an agent, which requires that these revenues be recorded on a gross basis.

Deferred Income

Deferred income from continuing operations, as of December 31, consisted of:

	2017	2016
Membership and exchange fees	$ 244	$ 248
VOI trial and incentive fees	197	165
Vacation rental fees	38	38
Initial franchise fees	44	52
Credit card fees	54	49
Other fees	80	63
Total deferred income	657	615
Less: Current deferred income	493	421
Non-current deferred income	$ 164	$ 194

Deferred membership and exchange fees consist primarily of payments made in advance for annual memberships that are recognized over the term of the membership period, which is typically one to three years. Deferred VOI trial fees are payments received in advance for a trial VOI, which allows customers to utilize a VOI typically within one year of purchase. Deferred incentive fees represent payments received in advance for additional travel-related services and products at the time of a VOI

sale. Revenue is recognized when a customer utilizes the additional services and products, which is typically withinone year of a VOI sale. Deferred vacation rental fees represent payments received in advance of a rental customer's stay that are recognized as revenue when the rental stay occurs, which is typically within six months of the confirmation date. Deferred initial franchise fees are recognized when all material services or conditions have been performed which is typically within two years. Deferred credit card fees represent payments received in advance from the Company's co-branded credit card partners primarily for card member activity, which is typically recognized within one year.

INCOME TAXES

The Company recognizes deferred tax assets and liabilities 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, 2017 and 2016. The Company recognizes the effects of changes in tax laws, or rates, as a component of income taxes from continuing operations within the period that includes the enactment date.

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. 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.

For tax positions the Company has taken or expects to take in a tax return, the Company applies a more likely than not threshold, under which the Company must conclude a tax position is more likely than not to be sustained, assuming that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information, in order to recognize or continue to recognize the benefit. In determining the Company's provision for income taxes, the Company uses judgment, reflecting its estimates and assumptions, in applying the more likely than not threshold.

CASH AND CASH EQUIVALENTS

The Company considers highly-liquid investments purchased with an original maturity ofthree months or less to be cash equivalents.

RESTRICTED CASH

The largest portion of the Company's restricted cash relates to securitizations. The remaining portion is comprised of cash held in escrow accounts primarily related to the Company's destination network and vacation ownership businesses.

Securitizations. In accordance with the contractual requirements of the Company's various vacation ownership contract receivable securitizations, a dedicated lockbox account, subject to a blocked control agreement, is established for each securitization. At each month end, the total cash in the collection account from the previous month is analyzed and a monthly servicer report is prepared by the Company, which details how much cash should be remitted to the note holders for principal and interest payments, and any cash remaining is transferred by the trustee back to the Company. Additionally, as required by various securitizations, the Company holds an agreed-upon percentage of the aggregate outstanding principal balances of the VOI contract receivables collateralizing the asset-backed notes in a segregated trust (or reserve) account as credit enhancement. Each time a securitization closes and the Company receives cash from the note holders, a portion of the cash is deposited in the reserve account. As of December 31, 2017, such amount totaled $106 million, of which, $75 million was recorded within other current assets and$31 million was recorded within other non-current assets. As of December 31, 2016, such amount totaled $90 million, of which, $75 million was recorded within other current assets and$15 million was recorded within other non-current assets.

Escrow Deposits. Laws in most U.S. states require the escrow of down payments on VOI sales, with the typical requirement mandating that the funds be held in escrow until the rescission period expires. As sales transactions are consummated, down payments are collected and are subsequently placed in escrow until the rescission period has expired. Depending on the state, the rescission period can be as short as 3 calendar days or as long as 15 calendar days. In certain states, the escrow laws require that100% of VOI purchaser funds (excluding interest payments, if any), be held in escrow until the deeding process is complete. Where possible, the Company utilizes surety bonds in lieu of escrow deposits. Similarly, laws in certain U.S. states require the escrow of advance deposits received from guests for vacation rental transactions. Such amounts are mandated to be held in escrow until the legal restriction expires, which varies from state to state. Escrow deposits were $67

million and $59 million as of December 31, 2017 and 2016, respectively, which are recorded within other current assets on the Consolidated Balance Sheets.

RECEIVABLE VALUATION

Trade receivables

The Company provides for estimated bad debts based on its 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. The following table illustrates the Company's allowance for doubtful accounts activity from continuing operations for the year ended December 31:

	2017	2016	2015
Beginning balance	$ 141	$ 148	$ 167
Bad debt expense	58	45	49
Write-offs	(65)	(68)	(69)
Translation and other adjustments	1	16	1
Ending balance	$ 135	$ 141	$ 148

Vacation ownership contract receivables

In the Company's Vacation Ownership segment, the Company provides for estimated vacation ownership contract receivable defaults at the time of VOI sales by recording a provision for loan losses as a reduction of VOI sales on the Consolidated Statements of Income. The Company assesses the adequacy of the allowance for loan losses based on the historical performance of similar vacation ownership contract receivables. The Company uses a technique referred to as static pool analysis, which tracks defaults for each year's sales over the entire life of those contract receivables. The Company considers current defaults, past due aging, historical write-offs of contracts and consumer credit scores (FICO scores) in the assessment of borrower's credit strength and expected loan performance. The Company also considers whether the historical economic conditions are comparable to current economic conditions. If current or expected future conditions differ from the conditions in effect when the historical experience was generated, the Company adjusts the allowance for loan losses to reflect the expected effects of the current environment on the collectability of the Company's vacation ownership contract receivables.

LOYALTY PROGRAMS

The Company operates a number of loyalty programs including Wyndham Rewards, RCI Elite Rewards and other programs. Wyndham Rewards members primarily accumulate points by staying in hotels franchised under one of the Company's hotel group brands. Wyndham Rewards and RCI Elite Rewards members accumulate points by purchasing everyday services and products utilizing their co-branded credit cards.

Members may redeem their points for hotel stays, airline tickets, rental cars, resort vacations, electronics, sporting goods, movie and theme park tickets, gift certificates, vacation ownership maintenance fees and annual membership dues and exchange fees for transactions. The points cannot be redeemed for cash. The Company earns revenue from these programs (i) when a member stays at a participating hotel, from a fee charged by the Company to the franchisee, which is based upon a percentage of room revenues generated from such stay or (ii) based upon a percentage of the members' spending on the co-branded credit cards and such revenues are paid to the Company by a third-party issuing bank. The Company also incurs costs to support these programs, which primarily relate to marketing expenses to promote the programs, costs to administer the programs and costs of members' redemptions.

As members earn points through the Company's loyalty programs, the Company records a liability for the estimated future redemption costs, which is calculated based on (i) an estimated cost per point and (ii) an estimated redemption rate of the overall points earned, which is determined through historical experience, current trends and the use of an actuarial analysis. Revenues relating to the Company's loyalty programs, which are recorded in other revenues in the Consolidated Statements of Income, amounted to $172 million, $159 million and $152 million, and total expenses amounted to $131 million, $134 million and $119 million during 2017, 2016 and 2015, respectively. The liability for estimated future redemption costs as of December 31, 2017 and 2016 amounted to $90 million and $77 million, respectively, and is included within accrued expenses and other current liabilities and other non-current liabilities in the Consolidated Balance Sheets.

INVENTORY

Inventory primarily consists of completed VOIs, VOIs under construction, land held for future VOI development, vacation credits and real estate interests sold subject to conditional repurchase. The Company applies the relative sales value method for relieving VOI inventory and recording the related cost of sales. Under the relative sales value method, cost of sales is recorded using a percentage ratio of total estimated development cost to total estimated VOI revenue, including estimated future revenue and incorporating factors such as changes in prices and the recovery of VOIs generally as a result of contract receivable defaults. The effect of such changes in estimates under the relative sales value method is accounted for in each period using a current-period adjustment to inventory and cost of sales. Inventory is stated at the lower of cost, including capitalized interest, property taxes and certain other carrying costs incurred during the construction process, or estimated fair value less costs to sell. Capitalized interest was less than $1 million, $1 million and $3 million in 2017, 2016 and 2015, respectively.

ADVERTISING EXPENSE

Advertising costs are generally expensed in the period incurred. Advertising expenses from continuing operations, which are primarily recorded within marketing and reservation expenses on the Consolidated Statements of Income, were $86 million, $108 million and $111 million in 2017, 2016 and 2015, respectively.

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 operating income and net interest expense, based upon the nature of the hedged item, in the Consolidated 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 immediately in earnings as a component of operating 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.

PROPERTY AND EQUIPMENT

Property and equipment (including leasehold improvements) are recorded at cost, and presented net of accumulated depreciation and amortization. Depreciation, recorded as a component of depreciation and amortization on the Consolidated Statements of Income, is computed utilizing the straight-line method over the lesser of the lease terms or 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 lesser of the estimated benefit period of the related assets or the lease terms. Useful lives are generally 30 years for buildings, up to 20 years for leasehold improvements, from 15 to 30 years for vacation rental properties and from 3 to 7 years for furniture, fixtures and equipment.

The Company capitalizes the costs of software developed for internal use in accordance with the guidance for accounting for 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 over its estimated useful life, which is generally 3 to 5 years, with the exception of certain enterprise resource planning and reservation and inventory management software, which is generally 10 years. Such amortization commences when the software is substantially ready for use.

The net carrying value of software developed or obtained for internal use was $271 million and $221 million as of December 31, 2017 and 2016, respectively. Capitalized interest was $1 million during 2017 and $4 million during both 2016 and 2015.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company has goodwill and other indefinite-lived intangible assets recorded in connection with business combinations. The Company annually (during the fourth quarter of each year subsequent to completing the Company’s annual forecasting process), or more frequently if circumstances indicate that the value of goodwill may be impaired, reviews the reporting units’ carrying values as required by the guidance for goodwill and other indefinite-lived intangible assets. In accordance with the guidance, the Company has determined that its reporting units are the same as its reportable segments.

Under current accounting guidance, goodwill and other intangible assets with indefinite lives are not subject to amortization. However, goodwill and other intangibles with indefinite lives are subject to fair value-based rules for measuring

impairment, and resulting write-downs, if any, are reflected in operating expense. The Company has goodwill recorded at its hotel group, destination network and vacation ownership reporting units. The Company completed its annual goodwill impairment test by performing a qualitative analysis for each of its reporting units as of October 1, 2017 and determined that no impairment exists. During the fourth quarter of 2017, the European vacation rentals business was classified as a discontinued operation. As a result, the Company performed an assessment of its remaining Destination Network segment and determined that no impairment exists.

The Company also evaluates the recoverability of its other long-lived assets, including property and equipment and amortizable intangible assets, if circumstances indicate impairment may have occurred, pursuant to guidance for 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 segment. 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.

ACCOUNTING FOR RESTRUCTURING ACTIVITIES

The Company's restructuring activities require it to make significant estimates in several areas including (i) expenses for severance and related benefit costs, (ii) the ability to generate sublease income, as well as its ability to terminate lease obligations, and (iii) contract terminations. The amount that the Company has accrued as of December 31, 2017 represents its best estimate of the obligations incurred in connection with these actions, but could change due to various factors including market conditions and the outcome of negotiations with third parties.

GUARANTEES

The Company may enter into performance guarantees related to certain hotels that it manages. The Company records a liability for the fair value of these performance guarantees at their inception date. The corresponding offset is recorded to other assets which is amortized over the life of the management agreement. For performance guarantees not subject to a recapture provision, the Company amortizes the liability for the fair value of the guarantee over the term of the guarantee using a systematic and rational approach. On a quarterly basis, the Company evaluates the likelihood of funding under a guarantee. To the extent the Company determines an obligation to fund under a guarantee is both probable and estimable, the Company will record a separate contingent liability. The expense related to this separate contingent liability is recognized in the period that the Company determines funding is probable for that period.

For performance guarantees subject to a recapture provision, to the extent the Company is required to fund an obligation under a guarantee subject to a recapture provision, the Company records a receivable for amounts expected to be recovered in the future. On a quarterly basis, the Company evaluates the likelihood of recovering such receivables.

STOCK-BASED COMPENSATION

In accordance with the guidance for stock-based compensation, the Company measures all employee stock-based compensation awards using a fair value method and records the related expense in its Consolidated Statements of Income.

OTHER INCOME

During 2017, the Company recorded $26 million of income primarily related to (i) a non-cash gain resulting from the acquisition of a controlling interest in Love Home Swap at its destination network business, (ii) settlements of various business interruption claims, and (iii) the sale of non-strategic assets at its vacation ownership business. During 2016, the Company recorded $20 million of income primarily related to (i) settlements of business disruption claims related to the Gulf of Mexico oil spill in 2010, (ii) settlements of various other business interruption claims received, (iii) the sale of non-strategic assets, and (iv) other miscellaneous royalties at its vacation ownership business. During 2015, the Company recorded $15 million of income primarily related to (i) the settlement of a business disruption claim related to the Gulf of Mexico oil spill in 2010, (ii) the sale of non-strategic assets and (iii) other miscellaneous royalties at its vacation ownership business.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Revenue from Contracts with Customers. In May 2014, the Financial Accounting Standards Board ("FASB") issued guidance on revenue from contracts with customers. The guidance outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The guidance also requires disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Entities have the option to apply the new guidance under a retrospective approach to each prior reporting period presented or a modified retrospective

approach with the cumulative effect of initially applying the new guidance recognized at the date of initial application within the Statement of Consolidated Financial Position. The Company currently will adopt the new guidance utilizing the full retrospective transition method on its effective date of January 1, 2018.

As a result of adopting the new guidance, the Company has determined that its 2017 revenues will decline $73 million, expenses will decline $59 million and the change in its 2017 net income will decline $9 million. The Company also has determined that its 2016 beginning retained earnings will decrease by $87 million.

The most significant impacts relating to the Company's Hotel Group segment are the accounting for initial fees, upfront costs and marketing and reservations expenses. The Company has determined that royalty and marketing and reservation revenues will remain substantially unchanged. Specifically, under the new guidance, the Company has determined that (i) initial fees will be recognized ratably over the life of the non-cancelable period of the franchise agreement, (ii) incremental upfront contract costs will be deferred and expensed over the life of the non-cancelable period of the franchise agreement and (iii) marketing and reservations revenues earned in excess of costs incurred will no longer be accrued as a liability for future marketing or reservation costs; marketing and reservation costs incurred in excess of revenues earned will continue to be expensed as incurred.

The most significant impact relating to the Company's Destination Network segment is the accounting for other vacation exchange-related product fees which will be deferred and recognized upon the occurrence of a future vacation exchange or other transaction. The Company has determined that the recognition of vacation exchange transaction fees and vacation rental revenues will remain unchanged.

The Company has determined the recognition of its Vacation Ownership segment revenues will remain substantially unchanged with the exception of revenue from certain travel packages utilized to market its VOI products, which will be presented on a gross basis.

Leases. In February 2016, the FASB issued guidance which requires companies generally to recognize on the balance sheet operating and financing lease liabilities and corresponding right-of-use assets. This guidance is effective for fiscal years beginning after December 15, 2018 and for interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on the Consolidated Financial Statements.

Financial Instruments - Credit Losses. In June 2016, the FASB issued guidance which amends the guidance on measuring credit losses on financial assets held at amortized cost. This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the impact of the adoption of this guidance on the Consolidated Financial Statements.

Statement of Cash Flows. In August 2016, the FASB issued guidance intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. This guidance requires the retrospective transition method and is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, with early adoption permitted. The Company will adopt the guidance on January 1, 2018, as required, and believes the impact of this new guidance will result in payments of, and proceeds from, development advance notes being recorded within operating activities on its Consolidated Statements of Cash Flows.

Restricted Cash. In November 2016, the FASB issued guidance which requires amounts generally described as restricted cash and cash equivalents be included with cash and cash equivalents when reconciling the total beginning and ending amounts for the periods shown on the statement of cash flows. This guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, with early adoption permitted. The Company will adopt this new guidance on January 1, 2018, using a retrospective transition method. The Company believes the impact of the new restricted cash guidance will result in escrow deposits and restricted cash being included with cash and cash equivalents on the statement of cash flows.

The table below summarizes the expected effects of the new statement of cash flows and restricted cash guidance on the Company's Consolidated Statements of Cash Flows:

Increase/(decrease):	Year Ended December 31, 2017	2016	2015
Operating Activities	$ (2)	$ (6)	$ (3)
Investing Activities	20	3	4
Cash and cash equivalents, beginning of period	149	152	148
Cash and cash equivalents, end of period	173	149	152

Intra-Entity Transfers of Assets Other Than Inventory. In October 2016, the FASB issued guidance which requires companies to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. This guidance requires the modified retrospective approach and is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, with early adoption permitted. The Company will adopt the guidance on January 1, 2018, as required, which will result in a cumulative-effect benefit to retained earnings of $19 million.

Clarifying the Definition of a Business. In January 2017, the FASB issued guidance clarifying the definition of a business, which assists entities when evaluating whether transactions should be accounted for as acquisitions of businesses or assets. This guidance is effective on a prospective basis for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company will adopt the guidance on January 1, 2018, as required, and it believes the adoption of this guidance will not have a material impact on its Consolidated Financial Statements.

Simplifying the Test for Goodwill Impairment. In January 2017, the FASB issued guidance which simplifies the current two-step goodwill impairment test by eliminating Step 2 of the test. This guidance is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years, and should be applied on a prospective basis. The Company is currently evaluating the impact of the adoption of this guidance on its Consolidated Financial Statements and related disclosures.

Compensation - Stock Compensation. In May 2017, the FASB issued guidance which provides clarification on when modification accounting should be used for changes to the terms or conditions of a share-based payment award. This guidance is effective for fiscal years beginning after December 15, 2017 and for interim periods within those fiscal years, with early adoption permitted. The Company will adopt the guidance on January 1, 2018, as required, and it believes the adoption of this guidance will not have a material impact on its Consolidated Financial Statements and related disclosures.

Derivatives and Hedging - Targeted Improvements to Accounting for Hedging Activities. In August 2017, the FASB issued guidance intended to better align an entity's risk management activities and financial reporting for hedging relationships. This guidance is effective for fiscal years beginning after December 15, 2018 and for interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating impact of the adoption of this guidance on its Consolidated Financial Statements and related disclosures.

Income Taxes. In January 2018, the FASB issued guidance on the accounting for tax on the global intangible low-taxed income provisions of the law. These provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The guidance indicates that the Company is allowed to make an accounting policy choice of either: (1) treating taxes due on future inclusions in taxable income as a current-period expense when incurred (the “period cost method”) or (2) factoring such amounts into the Company's measurement of its deferred taxes (the “deferred method”). The Company has elected to account for any potential inclusions in the period in which it is incurred, and therefore has not provided any deferred income tax impacts of these provisions on its Consolidated Financial Statements for the year ended December 31, 2017.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Simplifying the Measurement of Inventory. In July 2015, the FASB issued guidance related to simplifying the measurement of inventory. This guidance is effective prospectively for fiscal years beginning after December 15, 2016 and for interim periods within those fiscal years, with early adoption permitted. The Company adopted the guidance on January 1, 2017, as required. There was no material impact on its Consolidated Financial Statements and related disclosures.

Compensation - Stock Compensation. In March 2016, the FASB issued guidancewhich is intended to simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This guidance is effective for fiscal years

beginning after December 15, 2016 and for interim periods within those fiscal years, with early adoption permitted. The Company adopted the guidance on January 1, 2017, as required. The Company elected to use the prospective transition method, and as such, the excess tax benefits from stock-based compensation were presented as part of operating activities within its current period Consolidated Statement of Cash Flows. In addition, during 2017 the excess tax benefit of $8 million was recognized within the provision for income taxes on the Consolidated Statement of Income.

Consolidation. In February 2015, the FASB issued guidance related to management's evaluation of consolidation for certain legal entities. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. The Company adopted the guidance on January 1, 2016, as required. There was no material impact on the Consolidated Financial Statements resulting from the adoption.

Customer's Accounting for Fees Paid in a Cloud Computing Arrangement. In April 2015, the FASB issued guidance on determining whether a cloud computing arrangement contains a software license that should be accounted for as internal-use software. This guidance is effective for fiscal years beginning after December 15, 2015 and for interim periods within those fiscal years, with early adoption permitted. The Company adopted the guidance on January 1, 2016, as required. There was no material impact on the Consolidated Financial Statements resulting from the adoption.

Simplifying the Accounting for Measurement-Period Adjustments. In September 2015, the FASB issued guidance simplifying the accounting for measurement-period adjustments related to a business combination. This guidance is effective for fiscal years beginning after December 15, 2015 and for interim periods within those fiscal years, with early adoption permitted. The Company adopted the guidance on January 1, 2016, as required. There was no material impact on the Consolidated Financial Statements resulting from the adoption.

3. Discontinued Operations

During the third quarter of 2017, the Company decided to explore strategic alternatives for its European vacation rentals business, which was previously part of the Wyndham Destination Network segment and in the fourth quarter of 2017, the Company commenced activities to facilitate the sale of this business. As a result, for all periods presented, the Company has classified the results of operations for the European vacation rentals business as discontinued operations in the Consolidated Statements of Income and classified the related assets and liabilities associated with this business as held for sale in the Consolidated Balance Sheets. All results and information presented exclude the European vacation rentals business unless otherwise noted. Discontinued operations includes direct expenses incurred by the European vacation rentals business and excludes the allocation of corporate overhead and interest. The Company will continue to have three reporting segments, Hotel Group, Destination Network and Vacation Ownership (see Note 22 - Segment Information, for more information on the Company's operating segments).

The following table presents the aggregate carrying amounts of the classes of assets and liabilities held for sale as of:

	December 31,	
Assets	**2017**	**2016**
Cash and cash equivalents	$ 133	$ 72
Trade receivables, net	298	234
Other current assets	66	54
Property and equipment, net	350	312
Goodwill	430	382
Trademarks, net	57	47
Franchise agreements and other intangibles, net	60	62
Other non-current assets	35	32
Total assets held for sale	$ 1,429	$ 1,195
Liabilities		
Current portion of long-term debt	$ 11	$ 12
Accounts payable	333	255
Deferred income	108	79
Accrued expenses and other current liabilities	128	118
Long-term debt	57	59
Other non-current liabilities	79	72
Total liabilities held for sale	$ 716	$ 595

The following table presents information regarding certain components of income from discontinued operations, net of income taxes:

	Year Ended December 31,		
	2017	**2016**	**2015**
Net revenues	$ 745	$ 673	$ 658
Expenses:			
Operating	409	367	363
Marketing and reservation	103	89	90
General and administrative	106	84	76
Depreciation and amortization	54	50	47
Total expenses	672	590	576
Other expense, net	1	1	3
Provision for income taxes	19	15	19
Net income from discontinued operations	$ 53	$ 67	$ 60

The following table presents information regarding certain components of cash flows from discontinued operations:

	Year Ended December 31,		
	2017	**2016**	**2015**
Cash flows provided by operating activities	$ 107	$ 127	$ 120
Cash flows used in investing activities	(32)	(94)	(38)
Cash flows used in financing activities	(21)	(10)	(8)
Property and equipment additions	(35)	(31)	(33)
Net assets acquired, net of cash acquired	(11)	(42)	(1)

4. Earnings Per Share

The computation of basic and diluted earnings per share ("EPS") is based on net income attributable to Wyndham shareholders divided by the basic weighted average number of common shares and diluted weighted average number of common shares, respectively.

The following table sets forth the computation of basic and diluted EPS (in millions, except per share data):

	Year Ended December 31,		
	2017	2016	2015
Income from continuing operations attributable to Wyndham shareholders	$ 818	$ 544	$ 552
Income from discontinuing operations, net of income tax	53	67	60
Net income attributable to Wyndham shareholders	$ 871	$ 611	$ 612
Basic earnings per share			
Continuing operations	$ 7.94	$ 4.96	$ 4.67
Discontinued operations	0.52	0.60	0.51
	$ 8.46	$ 5.56	$ 5.18
Diluted earnings per share			
Continuing operations	$ 7.89	$ 4.93	$ 4.63
Discontinued operations	0.51	0.60	0.51
	$ 8.40	$ 5.53	$ 5.14
Basic weighted average shares outstanding	103.0	109.9	118.0
Stock-settled appreciation rights ("SSARs"), RSUs [(a)] and PSUs [(b)]	0.7	0.7	1.0
Diluted weighted average shares outstanding	103.7	110.6	119.0
Dividends:			
Cash dividends per share [(c)]	$ 2.32	$ 2.00	$ 1.68
Aggregate dividends paid to shareholders	242	223	202

(a) Excludes 1.0 million and 0.4 million of restricted stock units ("RSUs") for the years ended 2016 and 2015, respectively, that would have been anti-dilutive to EPS. Includes unvested dilutive RSUs which are subject to future forfeitures.

(b) Excludes performance vested restricted stock units ("PSUs") of 0.5 million for 2017 and 0.6 million for both 2016 and 2015, as the Company had not met the required performance metrics.

(c) For each of the quarterly periods ended March 31, June 30, September 30 and December 31, 2017, 2016 and 2015, the Company paid cash dividends of $0.58, $0.50 and $0.42 per share, respectively.

Stock Repurchase Programs

On October 23, 2017 the Company's Board of Directors authorized an increase of$1.0 billion to the Company's existing stock repurchase program. As ofDecember 31, 2017, the total authorization of the current program was$6.0 billion. The Company had $1.1 billion of remaining availability in its current program as ofDecember 31, 2017.

The following table summarizes stock repurchase activity under the current stock repurchase program (in millions, except per share data):

	Shares	Cost	Average Price Per Share
As of December 31, 2016	88.1	$ 4,337	$ 49.22
For the year ended December 31, 2017	6.3	601	95.79
As of December 31, 2017	94.4	$ 4,938	52.32

As of December 31, 2017, the Company has repurchased under its current and prior stock repurchase plans, a total of 120 million shares at an average price of $48.11 for a cost of $5.7 billion since becoming an independent company in 2006 (the "Cendant Separation").

5. Acquisitions

Assets acquired and liabilities assumed in business combinations were recorded on the Consolidated 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 Consolidated 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 during the measurement period will be recorded by the Company as further adjustments to the purchase price allocations. Although, in certain circumstances, the Company has substantially integrated the operations of its acquired businesses, additional future costs relating to such integration may occur. 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 Consolidated Statements of Income as expenses.

2017 ACQUISITIONS

AmericInn. During October 2017, the Company completed the acquisition of the AmericInn hotel brand and franchise system for a total purchase price of $140 million, net of cash acquired which included a simultaneous sale of 10 owned hotels to an unrelated third-party for $28 million. AmericInn's portfolio consists of 200 primarily franchised hotels predominantly in the Midwestern United States. This acquisition is consistent with the Company's strategy to expand its franchised portfolio within its hotel group business. The preliminary purchase price allocation resulted in the recognition of (i) $47 million of goodwill, all of which is expected to be deductible for tax purposes, (ii) $46 million of trademarks, (iii) $49 million of franchise agreements, with a weighted average life of 25 years, (iv) $2 million of other assets and (v) $5 million of liabilities, all of which were assigned to the Company's Hotel Group segment. This acquisition was not material to the Company's results of operations, financial position or cash flows.

DAE Global Pty Ltd. During October 2017, the Company completed the acquisition of DAE Global Pty, Ltd, an Australian vacation exchange company, and @Work International, a related software company, for a total purchase price of $21 million, net of cash acquired. These acquisitions complement the Company's existing vacation exchange business. The preliminary purchase price allocation resulted in the recognition of (i) $14 million of goodwill, none of which is expected to be deductible for tax purposes, (ii) $6 million of definite-lived intangible assets, with a weighted average life of 10 years, (iii) $7 million of property and equipment and (iv) $8 million of liabilities, all of which were assigned to the Company's Destination Network segment. This acquisition was not material to the Company's results of operations, financial position or cash flows.

Love Home Swap. During July 2017, the Company acquired a controlling interest in Love Home Swap, a United Kingdom home exchange company. The Company had convertible notes which, at the time of acquisition, it converted into a 47% equity ownership interest in Love Home Swap and purchased the remaining 53% of equity for $28 million, net of cash acquired. As a result, the Company recognized a non-cash gain of $13 million (no tax impact associated with this gain) resulting from the re-measurement of the carrying value of the Company's 47% ownership interest to its fair value. The preliminary purchase price allocations resulted primarily in the recognition of (i) $46 million of goodwill, none of which is expected to be deductible for tax purposes, (ii) $5 million of trademarks, (iii) $5 million of definite-lived intangible assets with a weighted average life of 9 years, (iv) $3 million of other assets and (v) $7 million of liabilities, all of which were assigned to the Company's Destination Network segment. This acquisition was not material to the Company's results of operations, financial position or cash flows.

Other. During 2017, the Company completed one other acquisition at its Destination Network segment for $5 million in cash, net of cash acquired. The preliminary purchase price allocations resulted primarily in the recognition of (i) $12 million of other assets, (ii) $3 million of goodwill, all of which is expected to be deductible for tax purposes, (iii) $1 million of definite-lived intangible assets with a life of 12 years and (iv) $11 million of liabilities.

The Company completed three other acquisitions, which are included in discontinued operations, for $11 million in cash, net of cash acquired, and $1 million of contingent consideration.

2016 ACQUISITIONS

Fen Hotels. During November 2016, the Company completed the acquisition of Fen Hotels, a hotel management company with a focus in the Latin America region, for $70 million, net of cash acquired. This acquisition is consistent with the Company's strategy to expand its managed portfolio within its hotel group business. The acquisition resulted in the addition of two brands (Dazzler and Esplendor) to the Company's portfolio. The purchase price allocation resulted in the recognition of (i) $49 million of goodwill, none of which is expected to be deductible for tax purposes, (ii) $25 million of definite-lived intangible assets, of which $10 million was for trademarks, with a weighted average life of 20 years, (iii) $1 million of other assets and (iv) $5 million of liabilities, all of which were assigned to the Company's Hotel Group segment. This acquisition was not material to the Company's results of operations, financial position or cash flows.

Other. During 2016 the Company completed four other acquisitions for a total of $21 million, net of cash acquired. The Company's Destination Network segment completed two acquisitions for $2 million, net of cash acquired. Additionally, the Company's Vacation Ownership segment completed two acquisitions for $19 million. The preliminary purchase price allocations resulted primarily in the recognition of $15 million of property and equipment and $4 million of inventory.

The Company completed four other acquisitions, which are included in discontinued operations, for $42 million in cash, net of cash acquired, and $10 million of contingent consideration.

2015 ACQUISITIONS

Dolce Hotels and Resorts. During January 2015, the Company completed the acquisition of Dolce Hotels and Resorts ("Dolce"), a manager of properties focused on group accommodations. This acquisition is consistent with the Company's strategy to expand its managed portfolio within its hotel group business. The net consideration of $57 million was comprised of $52 million in cash, net of cash acquired, for the equity of Dolce and $5 million related to debt repaid at closing. The purchase price allocation resulted in the recognition of $29 million of goodwill, none of which is expected to be deductible for tax purposes, $28 million of definite-lived intangible assets with a weighted average life of 15 years and $14 million of trademarks. In addition, the fair value of assets acquired and liabilities assumed resulted in $9 million of other assets and $23 million of liabilities, all of which were assigned to the Company's Hotel Group segment. This acquisition was not material to the Company's results of operations, financial position or cash flows.

Other. During 2015, the Company completed four other acquisitions for a total of $37 million, net of cash acquired. The purchase price allocations resulted in the recognition of (i) $12 million of property and equipment, all of which was allocated to the Company's Vacation Ownership segment, and (ii) $18 million of goodwill, of which $13 million is expected to be deductible for tax purposes, and (iii) $10 million of definite-lived intangible assets with a weighted average life of 11 years, all of which were allocated to the Company's Destination Network segment.

The Company completed one other acquisition, which was included in discontinued operations, for $1 million in cash, net of cash acquired, and $1 million of contingent consideration.

Table of Contents

6. Intangible Assets

Intangible assets consisted of:

	As of December 31, 2017			As of December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Unamortized Intangible Assets:						
Goodwill	$ 1,336			$ 1,221		
Trademarks [a]	$ 725			$ 675		
Amortized Intangible Assets:						
Franchise agreements [b]	$ 643	$ 417	$ 226	$ 594	$ 401	$ 193
Management agreements [c]	143	56	87	156	45	111
Trademarks [d]	17	6	11	17	5	12
Other [e]	51	16	35	40	13	27
	$ 854	$ 495	$ 359	$ 807	$ 464	$ 343

(a) Comprised of various trademarks that the Company has acquired. These trademarks 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 32 years.
(c) Generally amortized over a period ranging from 10 to 20 years with a weighted average life of 15 years.
(d) Generally amortized over a period of 3 to 20 years with a weighted average life of 14 years.
(e) Includes customer lists and business contracts, generally amortized over a period ranging from 3 to 15 years with a weighted average life of 12 years.

Goodwill

During the fourth quarters of 2017, 2016 and 2015, the Company performed its annual goodwill impairment test and determined that no impairment existed as the fair value of goodwill at its reporting units was in excess of the carrying value.

The changes in the carrying amount of goodwill are as follows:

	Balance as of December 31, 2016	Adjustments to Goodwill Acquired During 2016	Goodwill Acquired During 2017	Foreign Exchange	Balance as of December 31, 2017
Hotel Group	$ 377	$ 1	$ 47	$ —	$ 425
Destination Network	817	(1)	64	4	884
Vacation Ownership	27	—	—	—	27
Continuing Operations	$ 1,221	$ —	$ 111	$ 4	$ 1,336
Discontinued Operations	382	2	5	41	430
Total Company	$ 1,603	$ 2	$ 116	$ 45	$ 1,766

Amortization expense relating to amortizable intangible assets is included as a component of depreciation and amortization on the Consolidated Statements of Income, and was as follows:

	2017	2016	2015
Franchise agreements	$ 16	$ 15	$ 15
Management agreements	11	10	10
Other	4	5	5
Total	$ 31	$ 30	$ 30

Based on the Company's amortizable intangible assets as of December 31, 2017, the Company expects related amortization expense as follows:

	Amount
2018	$ 33
2019	32
2020	31
2021	31
2022	29

7. Franchising and Marketing/Reservation Activities

Franchise fee revenues of $695 million, $677 million and $674 million on the Consolidated Statements of Income for 2017, 2016 and 2015, respectively, include initial franchise fees of $20 million, $15 million and $12 million, respectively.

As part of ongoing franchise fees, the Company receives marketing and reservation fees from its hotel group franchisees, which generally are calculated based on a specified percentage of gross room revenues. Such fees totaled $304 million, $310 million and $313 million during 2017, 2016 and 2015, respectively, and are recorded within franchise fees on the Consolidated Statements of Income. In accordance with the franchise agreements, generally the Company is contractually obligated to expend the marketing and reservation fees it collects from franchisees for the operation of an international, centralized, brand-specific reservation system and for marketing purposes such as advertising, promotional and co-marketing programs, and training for the respective franchisees. Additionally, the Company is required to provide certain services to its franchisees, including referrals, technology and purchasing programs.

The Company may, at its discretion, provide development advance notes to certain franchisees or hotel owners in its managed business in order to assist such franchisees/hotel owners in converting to one of the Company's brands, building a new hotel to be flagged under one of the Company's brands or in assisting in other franchisee expansion efforts. Provided the franchisee/hotel owner is in compliance with the terms of the franchise/management agreement, all or a portion of the development advance notes may be forgiven by the Company over the period of the franchise/management agreement, which typically ranges from 10 to 20 years. Otherwise, the related principal is due and payable to the Company. In certain instances, the Company may earn interest on unpaid franchisee development advance notes. Such interest was not significant during 2017, 2016 or 2015. Development advance notes recorded on the Consolidated Balance Sheets amounted to $64 million and $73 million as of December 31, 2017 and 2016, respectively, and are classified within other non-current assets on the Consolidated Balance Sheets. During 2017, 2016 and 2015, the Company recorded $6 million, $7 million and $8 million, respectively, related to the forgiveness of these notes. Such amounts are recorded as a reduction of franchise fees on the Consolidated Statements of Income. In 2017, the Company recorded an $8 million charge for the write-off of a development advance note associated with a hotel management agreement that the Company has determined is no longer recoverable. In addition, the Company received development advance note repayments of $7 million, $3 million and $6 million during 2017, 2016, and 2015, respectively, which are reported as proceeds from development advance notes on the Consolidated Statements of Cash Flows. Bad debt expenses related to development advance notes that were due and payable within its hotel group business were less than $1 million during 2017 and $1 million during both 2016 and 2015. Such expenses were reported within operating expenses on the Consolidated Statements of Income.

8. Income Taxes

On December 22, 2017 the U.S. enacted the Tax Cuts and Jobs Act. The new law, which is also commonly referred to as "U.S. tax reform", significantly changes U.S. corporate income tax laws. The primary impact on the Company's 2017 financial results was associated with the effect of reducing the US corporate income tax rate from 35% to 21% starting in 2018, and imposing a one-time mandatory deemed repatriation tax on undistributed historic earnings of foreign subsidiaries. As a result, the Company has recorded a net benefit of $415 million during the fourth quarter of 2017, which is included in (benefit)/provision for income taxes from continuing operations in the Consolidated Statements of Income. Other provisions of the law are not effective until January 1, 2018, include, but are not limited to creating a territorial tax system which generally eliminates U.S. federal income taxes on dividends from foreign subsidiaries, eliminating or limiting the deduction of certain expenses, and requiring a minimum tax on earnings generated by foreign subsidiaries.

As of December 31, 2017, the Company has not completed its accounting for the tax effects of the enactment of the law; however, the Company has made a reasonable estimate and recorded (i) a net income tax benefit of $471 million resulting from the remeasurement of the Company's net deferred income tax and uncertain tax liabilities based on the new reduced U.S. corporate income tax rate, (ii) an income tax provision of $42 million associated with the one-time deemed repatriation tax on the Company's undistributed historic earnings of foreign subsidiaries, and (iii) an income tax provision of $14 million from the establishment of a valuation allowance for the impact of the law on certain tax attributes. In other cases, the Company has not been able to make a reasonable estimate and continue to account for those items based on its existing accounting under GAAP and the provisions of the tax laws that were in effect prior to enactment. One such case is the Company's intent regarding whether to continue to assert indefinite reinvestment on a part or all of the foreign undistributed earnings, as discussed further below.

The Company is still analyzing the new tax law and refining its calculations, which could potentially impact the measurement of its income tax balances. Once the Company finalizes its analysis and certain additional tax calculations and tax positions, which are subject to complex tax rules and interpretation when it files its 2017 U.S. tax return, it will be able to conclude on any further adjustments to be recorded on these provisional amounts. Any such change will be reported as a component of income taxes in the reporting period in which any such adjustments are determined, which will be no later than the fourth quarter of 2018.

The income tax provision consists of the following for the year ended December 31:

	2017	2016	2015
Current			
Federal	$ 112	$ 161	$ 182
State	19	22	31
Foreign	44	36	32
	175	219	245
Deferred			
Federal	(399)	80	34
State	(3)	16	8
Foreign	(2)	(2)	(2)
	(404)	94	40
Provision/(benefit) for income taxes	$ (229)	$ 313	$ 285

Pre-tax income for domestic and foreign operations consisted of the following for the year ended December 31:

	2017	2016	2015
Domestic	$ 594	$ 755	$ 747
Foreign	(4)	103	90
Pre-tax income	$ 590	$ 858	$ 837

Deferred income tax assets and liabilities, as of December 31, are comprised of the following:

	2017	2016
Deferred income tax assets:		
Net operating loss carryforward	$ 57	$ 48
Foreign tax credit carryforward	73	84
Tax basis differences in assets of foreign subsidiaries	13	27
Accrued liabilities and deferred income	126	175
Provision for doubtful accounts and loan loss reserves for vacation ownership contract receivables	215	303
Other comprehensive income	58	117
Other	15	15
Valuation allowance (*)	(44)	(35)
Deferred income tax assets	513	734
Deferred income tax liabilities:		
Depreciation and amortization	423	685
Installment sales of vacation ownership interests	737	1,038
Estimated VOI recoveries	69	97
Other comprehensive income	38	20
Other	8	32
Deferred income tax liabilities	1,275	1,872
Net deferred income tax liabilities	$ 762	$ 1,138
Reported in:		
Other non-current assets	$ 28	$ 29
Deferred income taxes	790	1,167
Net deferred income tax liabilities	$ 762	$ 1,138

(*) The valuation allowance of $44 million at December 31, 2017 relates to foreign tax credits, net operating loss carryforwards and certain deferred tax assets of $14 million, $26 million and $4 million, respectively. The valuation allowance of $35 million at December 31, 2016 relates to foreign tax credits, net operating loss carryforwards and certain deferred tax assets of $11 million, $22 million and $2 million, respectively. The valuation allowance will be reduced when and if the Company determines it is more likely than not that the related deferred income tax assets will be realized.

As of December 31, 2017, the Company's net operating loss carryforwards primarily relate to state net operating losses which are due to expire at various dates, but no later than 2037. As of December 31, 2017, the Company had $73 million of foreign tax credits. The foreign tax credits primarily expire in 2025.

As a result of the enactment of the new law, the Company recorded a $42 million charge relating to the one-time mandatory tax on previously deferred earnings of its foreign subsidiaries. After considering the impact of available foreign tax credits, the resulting cash tax payable is not significant. Although the one-time mandatory tax has removed U.S. federal taxes on distributions to the United States, the Company continues to evaluate the expected manner of recovery to determine whether or not to continue to assert indefinite reinvestment on a part or all of the foreign undistributed earnings of $793 million. This requires the Company to re-evaluate the existing short and long-term capital allocation policies in light of the law and calculate the incremental tax cost in addition to the one-time mandatory tax, (e.g. foreign withholding, state income taxes, and additional U.S. tax on currency transaction gains or losses) of repatriating cash to the United States. While the provisional tax expense for the year ended December 31, 2017 is based upon an assumption that foreign undistributed earnings are indefinitely reinvested, the Company's plan may change upon the completion of long-term capital allocation plans in light of the law and completion of the calculation of the incremental tax effects on the repatriation of foreign undistributed earnings. In the event the Company determines not to continue to assert the permanent reinvestment of part or all of foreign undistributed earnings, such a determination could result in the accrual and payment of additional foreign, state and local taxes.

The Company's effective income tax rate differs from the U.S. federal statutory rate as follows for the year ended December 31:

	2017	2016	2015
Federal statutory rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefits	1.7	2.4	3.1
Taxes on foreign operations at rates different than U.S. federal statutory rates	(0.6)	(1.3)	(0.5)
Taxes on foreign income, net of tax credits	(1.1)	(1.8)	(0.6)
Valuation allowance	(1.3)	0.7	(3.0)
Other	(1.1)	1.5	0.1
Effect of impairment charges	3.4	—	—
Impact of U.S. tax reform	(70.3)	—	—
Realized foreign currency losses	(4.5)	—	—
	(38.8)%	36.5%	34.1%

The Company's effective tax rate in 2017 was a benefit of38.8% primarily due to the $415 million net tax benefit from the impact of the enactment of the U.S. Tax Cuts and Jobs Act.

The following table summarizes the activity related to the Company's unrecognized tax benefits:

	2017	2016	2015
Beginning balance	$ 38	$ 33	$ 34
Increases related to tax positions taken during a prior period	4	1	5
Increases related to tax positions taken during the current period	7	8	6
Decreases related to settlements with taxing authorities	(2)	—	(2)
Decreases as a result of a lapse of the applicable statute of limitations	(3)	(2)	(9)
Decreases related to tax positions taken during a prior period	(3)	(2)	(1)
Ending balance	$ 41	$ 38	$ 33

The gross amount of the unrecognized tax benefits that, if recognized, would affect the Company's effective tax rate was$41 million, $38 million and $33 million as of December 31, 2017, 2016 and 2015, respectively. The Company recorded both accrued interest and penalties related to unrecognized tax benefits as a component of provision for income taxes on the Consolidated Statements of Income. The Company also accrued potential penalties and interest related to these unrecognized tax benefits of $5 million during 2017 and $3 million during both 2016 and 2015. The Company had a liability for potential penalties of$6 million, $5 million and $4 million as of December 31, 2017, 2016 and 2015, respectively and potential interest of $8 million, $6 million and $5 million as of December 31, 2017, 2016 and 2015, respectively. Such liabilities are reported as a component of accrued expenses and other current liabilities and other non-current liabilities on the Consolidated Balance Sheets. The Company does not expect the unrecognized tax benefits to change significantly over the next 12 months.

The Company files U.S., state, and foreign income tax returns in jurisdictions with varying statutes of limitations. The2014 through 2017 tax years generally remain subject to examination by federal tax authorities. The 2009 through 2017 tax years generally remain subject to examination by many state tax authorities. In significant foreign jurisdictions, the 2010 through 2017 tax years generally remain subject to examination by their respective tax authorities. The statute of limitations is scheduled to expire within 12 months of the reporting date in certain taxing jurisdictions, and the Company believes that it is reasonably possible that the total amount of its unrecognized tax benefits could decrease by $5 million to $8 million.

The Company made cash income tax payments, net of refunds, of$233 million, $185 million and $234 million during 2017, 2016 and 2015, respectively. In addition, the Company made cash income tax payments, net of refunds, of $12 million, $11 million and $5 million during 2017, 2016 and 2015, respectively related to discontinued operations. Such payments exclude income tax related payments made to or refunded by former Parent.

9. Vacation Ownership Contract Receivables

The Company generates vacation ownership contract receivables by extending financing to the purchasers of its VOIs. As of December 31, current and long-term vacation ownership contract receivables, net consisted of:

	2017	2016
Current vacation ownership contract receivables:		
Securitized	$ 227	$ 235
Non-securitized	88	84
	315	319
Less: Allowance for loan losses	63	57
Current vacation ownership contract receivables, net	$ 252	$ 262
Long-term vacation ownership contract receivables:		
Securitized	$ 2,326	$ 2,254
Non-securitized	951	825
	3,277	3,079
Less: Allowance for loan losses	628	564
Long-term vacation ownership contract receivables, net	$ 2,649	$ 2,515

Principal payments that are contractually due on the Company's vacation ownership contract receivables during the next 12 months are classified as current on the Consolidated Balance Sheets. Principal payments due on the Company's vacation ownership contract receivables during each of the five years subsequent to December 31, 2017 and thereafter are as follows:

	Securitized	Non - Securitized	Total
2018	$ 227	$ 88	$ 315
2019	242	92	334
2020	261	98	359
2021	282	104	386
2022	299	110	409
Thereafter	1,242	547	1,789
	$ 2,553	$ 1,039	$ 3,592

During 2017, 2016 and 2015, the Company's securitized vacation ownership contract receivables generated interest income of$340 million, $332 million and $333 million, respectively.

During 2017, 2016 and 2015, the Company originated vacation ownership contract receivables of$1,392 million, $1,225 million and $1,091 million, respectively, and received principal collections of $866 million, $820 million and $796 million, respectively. The weighted average interest rate on outstanding vacation ownership contract receivables was 13.9% as of both December 31, 2017 and 2016, respectively and 13.8% as of December 31, 2015.

The activity in the allowance for loan losses on vacation ownership contract receivables was as follows:

	Amount
Allowance for loan losses as of December 31, 2014	$ 581
Provision for loan losses	248
Contract receivables written off, net	(248)
Allowance for loan losses as of December 31, 2015	581
Provision for loan losses	342
Contract receivables write-offs, net	(302)
Allowance for loan losses as of December 31, 2016	621
Provision for loan losses	420
Contract receivables write-offs, net	(350)
Allowance for loan losses as of December 31, 2017	$ 691

Credit Quality for Financed Receivables and the Allowance for Credit Losses

The basis of the differentiation within the identified class of financed VOI contract receivable is the consumer's FICO score. A FICO score is a branded version of a consumer credit score widely used within the U.S. by the largest banks and lending institutions. FICO scores range from 300 to 850 and are calculated based on information obtained from one or more of the three major U.S. credit reporting agencies that compile and report on a consumer's credit history. The Company updates its records for all active VOI contract receivables with a balance due on a rolling monthly basis so as to ensure that all VOI contract receivables are scored at least every six months. The Company groups all VOI contract receivables into five different categories: FICO scores ranging from 700 to 850, 600 to 699, Below 600, No Score (primarily comprised of consumers for whom a score is not readily available, including consumers declining access to FICO scores and non-U.S. residents) and Asia Pacific (comprised of receivables in the Company's Wyndham Vacation Resort Asia Pacific business for which scores are not readily available).

The following table details an aged analysis of financing receivables using the most recently updated FICO scores (based on the policy described above):

	As of December 31, 2017					
	700+	600-699	<600	No Score	Asia Pacific	Total
Current	$ 1,849	$ 1,021	$ 166	$ 133	$ 262	$ 3,431
31 - 60 days	19	32	17	5	2	75
61 - 90 days	9	18	13	3	1	44
91 - 120 days	9	16	15	2	—	42
Total	$ 1,886	$ 1,087	$ 211	$ 143	$ 265	$ 3,592

	As of December 31, 2016					
	700+	600-699	<600	No Score	Asia Pacific	Total
Current	$ 1,733	$ 1,010	$ 149	$ 120	$ 232	$ 3,244
31 - 60 days	19	32	17	4	2	74
61 - 90 days	11	16	11	3	1	42
91 - 120 days	8	14	13	2	1	38
Total	$ 1,771	$ 1,072	$ 190	$ 129	$ 236	$ 3,398

The Company ceases to accrue interest on VOI contract receivables once the contract has remained delinquent for greater than 90 days. At greater than 120 days, the VOI contract receivable is written off to the allowance for loan losses. In accordance with its policy, the Company assesses the allowance for loan losses using a static pool methodology and thus does not assess individual loans for impairment separate from the pool.

10. Inventory

Inventory, as of December 31, consisted of:

	2017	2016
Land held for VOI development	$ 4	$ 146
VOI construction in process	25	59
Inventory sold subject to conditional repurchase	43	163
Completed VOI inventory	841	667
Estimated VOI recoveries	279	256
Destination network vacation credits and other	57	54
Total inventory	1,249	1,345
Less: Current portion (*)	340	310
Non-current inventory	$ 909	$ 1,035

(*) Represents inventory that the Company expects to sell within the next 12 months.

During 2017, the Company transferred $41 million of VOI inventory to property and equipment and during 2016, transferred $50 million of property and equipment to VOI inventory. In addition to the inventory obligations listed below, the Company had $6 million and $8 million of inventory accruals included in accounts payable on the Consolidated Balance Sheets as of December 31, 2017 and 2016, respectively.

During 2017, the Company performed an in-depth review of its operations, including its current development pipeline and long-term development plan. In connection with this review, the Company made a decision to no longer pursue future development at certain locations and thus performed a fair value assessment on these locations. As a result, the Company recorded a $135 million non-cash impairment charge primarily related to the write down of land held for VOI development. In addition, the company recorded a $28 million non-cash impairment charge related to the write down of VOI inventory due to a disruption to VOI sales caused by the impact of the hurricanes on Saint Thomas, U.S. Virgin Islands (see Note 24 - Impairments and Other Charges for further details).

Inventory Sale Transaction

During 2013, the Company sold real property located in Las Vegas, Nevada and Avon, Colorado to a third-party developer, consisting of vacation ownership inventory and property and equipment. During 2015, the Company sold real property located in Saint Thomas, U.S. Virgin Islands to a third-party developer, consisting of$80 million of vacation ownership inventory, in exchange for $80 million in cash consideration, of which $70 million was received in 2015 and $10 million was received in 2016. During the second quarter of 2016, the Company received $10 million of additional cash consideration from the third-party developer for the vacation ownership inventory property under development in Saint Thomas, U.S. Virgin Islands.

The Company recognized no gain or loss on these sales transactions. In accordance with the agreements with the third-party developers, the Company has conditional rights and conditional obligations to repurchase the completed properties from the developers subject to the properties conforming to the Company's vacation ownership resort standards and provided that the third-party developers have not sold the properties to another party. Under the sale of real estate accounting guidance, the conditional rights and obligations of the Company constitute continuing involvement and thus the Company was unable to account for these transactions as a sale.

During 2017, the Company acquired property located in Austin, Texas from a third-party developer for vacation ownership inventory and property and equipment.

In connection with these transactions, the following table summarizes the activity related to the Company's inventory obligations:

	Avon	Las Vegas	Saint Thomas	Austin	Total
December 31, 2015	$ 32	$ 77	$ 81	$ —	$ 190
Purchases	—	18	40	—	58
Payments	—	(27)	(23)	—	(50)
December 31, 2016	32	68	98	—	198
Purchases	1	21	45	94	161
Payments	(11)	(29)	(76)	(32)	(148)
Non-cash transfer to debt (*)	—	—	(67)	—	(67)
December 31, 2017	$ 22	$ 60	$ —	$ 62	$ 144
Reported in 2016:					
Accrued expenses and other current liabilities	$ 11	$ 20	$ 54	$ —	$ 85
Other non-current liabilities	21	48	44	—	113
Total inventory obligations	$ 32	$ 68	$ 98	$ —	$ 198
Reported in 2017:					
Accrued expenses and other current liabilities	$ 11	$ 22	$ —	$ 31	$ 64
Other non-current liabilities	11	38	—	31	80
Total inventory obligations	$ 22	$ 60	$ —	$ 62	$ 144

(*) As a result of consolidation of the Saint Thomas SPE, the inventory obligation is presented within long-term debt on the Consolidated Balance Sheet.

The Company has guaranteed to repurchase the completed property located in Las Vegas, Nevada from a third-party developer subject to the properties meeting the Company's vacation ownership resort standards and provided that the third-party developer has not sold the properties to another party. The maximum potential future payments that the Company may be required to make under these commitments was $133 million as of December 31, 2017.

11. Property and Equipment, net

Property and equipment, net, as of December 31, consisted of:

	2017	2016
Land	$ 51	$ 66
Buildings and leasehold improvements	714	684
Capitalized software	858	736
Furniture, fixtures and equipment	348	315
Capital leases	88	85
Construction in progress	137	126
	2,196	2,012
Less: Accumulated depreciation and amortization	1,115	984
	$ 1,081	$ 1,028

During 2017, 2016 and 2015, the Company recorded depreciation and amortization expense from continuing operations of $181 million, $172 million and $157 million, respectively, related to property and equipment. As of December 31, 2017 and 2016, the Company had accrued capital expenditures of $4 million and $3 million, respectively.

12. Other Current Assets

Other current assets for continuing operations, as of December 31, consisted of:

	2017	2016
Securitization restricted cash	$ 75	$ 75
Escrow deposit restricted cash	67	59
Deferred costs	55	38
Non-trade receivables, net	47	35
Tax receivables	27	3
Short-term investments	16	14
Other	27	36
	$ 314	$ 260

13. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities, as of December 31, consisted of:

	2017	2016
Accrued payroll and related	$ 252	$ 204
Accrued taxes	65	85
Inventory sale and repurchase obligations (*)	64	85
Accrued loyalty programs	54	46
Accrued advertising and marketing	43	52
Accrued interest	40	34
Accrued separation costs	29	—
Accrued legal settlements	28	39
Accrued VOI maintenance fees	28	25
Accrued other	150	147
	$ 753	$ 717

(*) See Note 10 - Inventory.

14. Long-Term Debt and Borrowing Arrangements

The Company's indebtedness, as of December 31, consisted of:

	2017	2016
Securitized vacation ownership debt: [a]		
Term notes [b]	$ 1,219	$ 1,857
$650 million bank conduit facility (due August 2018) [c]	333	284
$750 million bank conduit facility (due January 2019) [d]	546	—
Total securitized vacation ownership debt	2,098	2,141
Less: Current portion of securitized vacation ownership debt	217	195
Long-term securitized vacation ownership debt	$ 1,881	$ 1,946
Long-term debt: [e]		
$400 million revolving credit facility (due November 2018)	$ —	$ —
$1.5 billion revolving credit facility (due July 2020)	395	14
Commercial paper	147	427
Term loan (due March 2021)	324	323
$300 million 2.95% senior unsecured notes (due March 2017)	—	300
$450 million 2.50% senior unsecured notes (due March 2018)	450	449
$40 million 7.375% senior unsecured notes (due March 2020)	40	40
$250 million 5.625% senior unsecured notes (due March 2021)	248	248
$650 million 4.25% senior unsecured notes (due March 2022) [f]	648	648
$400 million 3.90% senior unsecured notes (due March 2023) [g]	406	407
$300 million 4.15% senior unsecured notes (due April 2024)	297	—
$350 million 5.10% senior unsecured notes (due October 2025) [h]	340	338
$400 million 4.50% senior unsecured notes (due April 2027) [i]	396	—
Capital leases	73	75
Other	145	31
Total long-term debt	3,909	3,300
Less: Current portion of long-term debt	104	22
Long-term debt	$ 3,805	$ 3,278

(a) Represents non-recourse debt that is securitized through bankruptcy-remote special purpose entities ("SPEs"), the creditors of which have no recourse to the Company for principal and interest. These outstanding borrowings (which legally are not liabilities of the Company) are collateralized by $2,680 million and $2,601 million of underlying gross vacation ownership contract receivables and related assets (which legally are not assets of the Company) as of December 31, 2017 and 2016, respectively.

(b) The carrying amounts of the term notes are net of debt issuance costs of $15 million and $24 million as of December 31, 2017 and 2016, respectively.

(c) The Company has borrowing capability under this Bank conduit facility through August 2018. Outstanding borrowings under this facility as of August 2018 are required to be repaid as the collateralized receivables amortize but not later than September 2019.

(d) The Company has borrowing capability under this Bank conduit facility through January 2019. Outstanding borrowings under this facility as of January 2019 are required to be repaid as the collateralized receivables amortize but not later than January 2020.

(e) The carrying amounts of the senior unsecured notes and term loan are net of unamortized discounts of $14 million and $11 million as of December 31, 2017 and 2016, respectively. The carrying amounts of the senior unsecured notes and term loan are net of debt issuance costs of $5 million and $4 million as of December 31, 2017 and 2016, respectively.

(f) Includes $2 million of unamortized gains from the settlement of a derivative as of both December 31, 2017 and 2016.

(g) Includes $8 million and $9 million of unamortized gains from the settlement of a derivative as of December 31, 2017 and 2016, respectively.

(h) Includes $8 million and $9 million of unamortized losses from the settlement of a derivative as of December 31, 2017 and 2016, respectively.

(i) Includes a $1 million increase in the carrying value resulting from a fair value hedge derivative as of December 31, 2017.

Maturities and Capacity

The Company's outstanding debt as of December 31, 2017 matures as follows:

	Securitized Vacation Ownership Debt	Long-Term Debt	Total
Within 1 year	$ 217	$ 568 (*)	$ 785
Between 1 and 2 years	529	55	584
Between 2 and 3 years	525	621	1,146
Between 3 and 4 years	151	528	679
Between 4 and 5 years	160	653	813
Thereafter	516	1,484	2,000
	$ 2,098	$ 3,909	$ 6,007

(*) Includes $464 million of senior unsecured notes that the Company classified as long-term debt as it has the intent to refinance such debt on a long-term basis and the ability to do so with available capacity under its revolving credit facility.

Required principal payments on the securitized vacation ownership debt are based on the contractual repayment terms of the underlying vacation ownership contract receivables. Actual maturities may differ as a result of prepayments by the vacation ownership contract receivable obligors.

As of December 31, 2017, the available capacity under the Company's borrowing arrangements was as follows:

	Securitized Bank Conduit Facilities (a)	Revolving Credit Facilities
Total Capacity	$ 1,400	$ 1,900
Less: Outstanding Borrowings	879	395
Letters of credit	—	1
Commercial paper borrowings	—	147 (b)
Available Capacity	$ 521	$ 1,357

(a) The capacity of these facilities is subject to the Company's ability to provide additional assets to collateralize additional securitized borrowings.

(b) The Company considers outstanding borrowings under its commercial paper programs to be a reduction of the available capacity of its revolving credit facilities.

Securitized Vacation Ownership Debt

As discussed in Note 15 — Variable Interest Entities, the Company issues debt through the securitization of vacation ownership contract receivables.

Sierra Timeshare 2017-1 Receivables Funding, LLC. During March 2017, the Company closed a series of term notes payable, issued by Sierra Timeshare 2017-1 Receivables Funding, LLC, with an initial principal amount of $350 million, which are secured by vacation ownership contract receivables and bear interest at a weighted average coupon rate of 2.97%. The advance rate for this transaction was 90%. As of December 31, 2017, the Company had $209 million of outstanding borrowings under these term notes, net of debt issuance costs.

As of December 31, 2017, the Company had $1,011 million of outstanding securitized borrowings under term notes entered into prior to December 31, 2016.

The Company's securitized term notes include fixed and floating rate term notes for which the weighted average interest rate was 3.7%, 3.6% and 3.5% during 2017, 2016 and 2015, respectively.

Sierra Timeshare Conduit Receivables Funding II, LLC. The Company has a securitized timeshare receivables conduit facility with a total capacity of $650 million and borrowing capability through August 2018. The facility bears interest at variable rates based on commercial paper rates and LIBOR rates plus a spread or the LIBOR rate plus a spread. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but no later than September 2019.

Sierra Timeshare Conduit Receivables Funding III, LLC. During October 2017, the Company entered into a securitized timeshare receivables conduit facility for a fifteen-month period through January 2019. The facility has a total capacity of $750 million and bears interest at variable rates based on commercial paper rates and LIBOR rates plus a spread or the LIBOR rate plus a spread. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but no later than January 2020.

As of December 31, 2017, the Company's securitized vacation ownership debt of $2,098 million was collateralized by $2,680 million of underlying gross vacation ownership contract receivables and related assets. Additional usage of the capacity of the Company's securitized bank conduit facilities are subject to the Company's ability to provide additional assets to collateralize such facilities. The combined weighted average interest rate on the Company's total securitized vacation ownership debt was 3.6% during both 2017 and 2016 and 3.5% during 2015.

Long-Term Debt

$1.5 billion Revolving Credit Facility. During March 2015, the Company replaced its $1.5 billion revolving credit facility expiring on July 15, 2018 with a $1.5 billion five-year revolving credit facility that expires on July 15, 2020. This facility is subject to a fee of 20 basis points based on total capacity and bears interest at LIBOR plus 130 basis points on outstanding borrowings. The facility fee and interest rate are dependent on the Company's credit ratings. The available capacity of the facility also supports the Company's commercial paper programs.

$400 million Revolving Credit Facility. During November 2017, the Company entered into a new $400 million revolving credit facility expiring on November 20, 2018. The credit facility is in addition to Company's existing $1.5 billion credit facility. This facility is subject to a fee between 7.5 and 22.5 basis points and bears interest at between LIBOR plus 92.5 and LIBOR plus 152.5 basis points on outstanding borrowings based on the Company's credit rating.

4.15% Senior Unsecured Notes. During March 2017, the Company issued senior unsecured notes, with face value of $300 million and bearing interest at a rate of 4.15%, for net proceeds of $297 million. The interest on the senior unsecured notes will be subject to adjustments from time to time if there are downgrades to the credit ratings assigned to the notes. Interest began accruing on March 21, 2017, and is payable semi-annually in arrears on April 1 and October 1 of each year, commencing on October 1, 2017. The notes will mature on April 1, 2024 and are redeemable at the Company's option at a redemption price equal to the greater of (i) the sum of the principal being redeemed and (ii) a "make-whole" price specified in the Indenture and the notes, plus, in each case, accrued and unpaid interest. These notes rank equally in right of payment with all of the Company's other senior unsecured indebtedness.

4.50% Senior Unsecured Notes. During March 2017, the Company issued senior unsecured notes, with face value of $400 million and bearing interest at a rate of 4.50%, for net proceeds of $397 million. The interest on the senior unsecured notes will be subject to adjustments from time to time if there are downgrades to the credit ratings assigned to the notes. Interest began accruing on March 21, 2017 and is payable semi-annually in arrears on April 1 and October 1 of each year, commencing on October 1, 2017. The notes will mature on April 1, 2027 and are redeemable at the Company's option at a redemption price equal to the greater of (i) the sum of the principal being redeemed and (ii) a "make-whole" price specified in the Indenture and the notes, plus, in each case, accrued and unpaid interest. These notes rank equally in right of payment with all of the Company's other senior unsecured indebtedness.

Commercial Paper. The Company maintains U.S. and European commercial paper programs with a total capacity of $750 million and $500 million, respectively. As of December 31, 2017, the Company had outstanding commercial paper borrowings of $147 million at a weighted average rate of 2.34%, all of which was under its U.S. commercial paper program. As of December 31, 2016, the Company had $427 million of outstanding commercial paper borrowings at a weighted average interest rate of 1.36%, all under its U.S. commercial paper program. The Company considers outstanding borrowings under its commercial paper programs to be a reduction of available capacity on its $1.5 billion revolving credit facility.

The commercial paper notes are sold at a discount from par or will bear interest at a negotiated rate. While outstanding commercial paper borrowings generally have short-term maturities, the Company classifies the outstanding borrowings as long-term debt based on its intent to refinance the outstanding borrowings on a long-term basis and the ability to do so with its revolving credit facilities.

The Company's $450 million 2.50% senior unsecured notes due March 2018 are classified as long-term as the Company has the intent to refinance such debt on a long-term basis and the ability to do so with available capacity under its revolving credit facilities.

As of December 31, 2017, the Company had $2,146 million of outstanding senior unsecured notes issued prior to December 31, 2016. Interest is payable semi-annually in arrears on the notes. The notes are redeemable at the Company's

option at a redemption price equal to the greater of (i) the sum of the principal being redeemed and (ii) a "make-whole" price specified in the Indenture and the notes, plus, in each case, accrued and unpaid interest. These notes rank equally in right of payment with all of the Company's other senior unsecured indebtedness.

Capital Lease. The Company leases its Corporate headquarters in Parsippany, NJ. The lease is recorded as a capital lease obligation with a corresponding capital lease asset which is recorded net of deferred rent. Such capital lease had an interest rate of 4.5% during 2017, 2016 and 2015.

Other. During January 2013, the Company entered into an agreement with a third-party partner whereby the partner acquired Midtown 45 through an SPE. The SPE financed the purchase with a $115 million four-year mortgage note, provided by related parties of such partner. The note accrued interest at 4.5% and the principal and interest are payable semi-annually, commencing on July 24, 2013. In addition, $9 million of mandatorily redeemable equity of the SPE was classified as long-term debt. During the first quarter of 2017, the Company made its final purchase of VOI inventory from the SPE. As of December 31, 2016, $15 million of the four-year mortgage note and $2 million of mandatorily redeemable equity were outstanding (See Note 15 - Variable Interest Entities for more detailed information).

During 2015, the Company entered into an agreement with a third-party partner whereby the partner would develop and construct VOI inventory through an SPE. The SPE financed the development and construction with a four-year bank mortgage note. During the first quarter of 2017, the third-party partner met certain conditions of the agreement, which resulted in the Company committing to purchase $51 million of VOI inventory located in Clearwater, Florida, from the SPE over a two-year period. Such proceeds from the purchase will be used by the SPE to repay the mortgage notes. The Company is considered to be the primary beneficiary for specified assets and liabilities of the SPE and, therefore, the Company consolidated such assets and liabilities within its Consolidated Financial Statements. As of December 31, 2017, the Company's obligation under the notes was $27 million, with principal and interest payable tri-annually (see Note 15 - Variable Interest Entities for further details).

During 2015, the Company sold real property located in Saint Thomas, U.S. Virgin Islands to a third-party developer to construct VOI inventory through an SPE. The SPE financed the development and construction with a mortgage note. During the fourth quarter of 2017, the economics of the transaction changed, and as a result, the Company determined that it was the primary beneficiary, and as such, the Company consolidated the assets and liabilities of the SPE within its Consolidated Financial Statements. As of December 31, 2017, the Company's obligation under the mortgage note was $104 million, with principal and interest payable semi-annually (see Note 15 - Variable Interest Entities for further details).

Deferred Financing Costs

The Company classifies debt issuance costs related to its revolving credit facilities and the bank conduit facilities within other non-current assets on the Consolidated Balance Sheets.

Fair Value Hedges

During the first quarter of 2017, the Company entered into pay-variable/receive-fixed interest rate swap agreements on its 4.50% senior unsecured notes with notional amounts of $400 million. The fixed interest rates on these notes were effectively modified to a variable LIBOR-based index. As of December 31, 2017, the variable interest rate on the notional portion of the 4.50% senior unsecured notes was 3.53%. The aggregate fair value of the swap agreements resulted in $1 million of liabilities as of December 31, 2017, which were included within other non-current assets on the Consolidated Balance Sheet.

During 2013, the Company entered into pay-variable/receive-fixed interest rate swap agreements on its 3.90% and 4.25% senior unsecured notes with notional amounts of $400 million and $100 million, respectively. The fixed interest rates on these notes were effectively modified to a variable LIBOR-based index. During May 2015, the Company terminated the swap agreements resulting in a gain of $17 million, which is being amortized over the remaining life of the senior unsecured notes as a reduction to interest expense on the Consolidated Statements of Income. The Company had $9 million and $11 million of deferred gains as of December 31, 2017 and 2016, respectively, which are included within long-term debt on the Consolidated Balance Sheets.

Early Extinguishment of Debt Expense

During 2016, the Company redeemed the remaining portion of its 6.00% senior unsecured notes for a total of $327 million. As a result, the Company incurred an $11 million loss during 2016, which is included within early extinguishment of debt on the Consolidated Statement of Income.

Interest Expense

The Company incurred non-securitized interest expense of $156 million during 2017. Such amount consisted primarily of interest on long-term debt, partially offset by $2 million of capitalized interest which is included within interest expense on the Consolidated Statement of Income. Cash paid related to interest on the Company's non-securitized debt was $152 million.

The Company incurred non-securitized interest expense of $133 million during 2016, Such amount consisted primarily of interest on long-term debt, partially offset by $5 million of capitalized interest which is included within interest expense on the Consolidated Statement of Income. Cash paid related to interest on the Company's non-securitized debt was $136 million.

The Company incurred non-securitized interest expense of $122 million during 2015. Such amount consisted primarily of interest on long-term debt, partially offset by $7 million of capitalized interest which is included within interest expense on the Consolidated Statement of Income. Cash paid related to interest on the Company's non-securitized debt was $118 million.

Interest expense incurred in connection with the Company's securitized vacation ownership debt was $74 million, $75 million and $74 million during 2017, 2016 and 2015, respectively, and is reported within consumer financing interest on the Consolidated Statements of Income. Cash paid related to such interest was $49 million, $51 million and $56 million during 2017, 2016 and 2015, respectively.

15. Variable Interest Entities

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. Vacation ownership contract receivables are securitized through bankruptcy-remote SPEs that are consolidated within the Consolidated Financial Statements. As a result, the Company does not recognize gains or losses resulting from these securitizations at the time of sale to the SPEs. Interest income is recognized when earned over the contractual life of the vacation ownership contract receivables. The Company services the securitized vacation ownership contract receivables pursuant to servicing agreements negotiated on an arms-length basis based on market conditions. The activities of these 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 fund such purchases and (iii) entering into derivatives to hedge interest rate exposure. The bankruptcy-remote SPEs are legally separate from the Company. The receivables held by the bankruptcy-remote SPEs are not available to creditors of the Company and legally are not assets of the Company. Additionally, the non-recourse debt that is securitized through the SPEs is legally not a liability of the Company and thus, the creditors of these SPEs have no recourse to the Company for principal and interest.

The assets and liabilities of these vacation ownership SPEs are as follows:

	December 31, 2017	December 31, 2016
Securitized contract receivables, gross [(a)]	$ 2,553	$ 2,489
Securitized restricted cash [(b)]	106	90
Interest receivables on securitized contract receivables [(c)]	22	21
Other assets [(d)]	4	4
Total SPE assets	2,685	2,604
Securitized term notes [(e)(f)]	1,219	1,857
Securitized conduit facilities [(e)]	879	284
Other liabilities [(g)]	2	2
Total SPE liabilities	2,100	2,143
SPE assets in excess of SPE liabilities	$ 585	$ 461

(a) Included in current ($227 million and $235 million as of December 31, 2017 and 2016, respectively) and non-current ($2,326 million and $2,254 million as of December 31, 2017 and 2016, respectively) vacation ownership contract receivables on the Consolidated Balance Sheets.

(b) Included in other current assets ($75 million as of both December 31, 2017 and 2016) and other non-current assets ($31 million and $15 million as of December 31, 2017 and 2016, respectively) on the Consolidated Balance Sheets.

(c) Included in trade receivables, net on the Consolidated Balance Sheets.

(d) Primarily includes deferred financing costs for the bank conduit facilities and a security investment asset, which is included in other non-current assets on the Consolidated Balance Sheets.

(e) Included in current ($217 million and $195 million as of December 31, 2017 and 2016, respectively) and long-term ($1,881 million and $1,946 million as of December 31, 2017 and 2016, respectively) securitized vacation ownership debt on the Consolidated Balance Sheets.

(f) Includes deferred financing costs of $15 million and $24 million as of December 31, 2017 and 2016, respectively, related to securitized debt.

(g) Primarily includes accrued interest on securitized debt, which is included in accrued expenses and other current liabilities on the Consolidated Balance Sheets.

In addition, the Company has vacation ownership contract receivables that have not been securitized through bankruptcy-remote SPEs. Such gross receivables were $1,039 million and $909 million as of December 31, 2017 and 2016, respectively. A summary of total vacation ownership receivables and other securitized assets, net of securitized liabilities and the allowance for loan losses, is as follows:

	December 31, 2017	December 31, 2016
SPE assets in excess of SPE liabilities	$ 585	$ 461
Non-securitized contract receivables	1,039	909
Less: Allowance for loan losses	691	621
Total, net	$ 933	$ 749

Midtown 45, NYC Property

During January 2013, the Company entered into an agreement with a third-party partner whereby the partner acquired the Midtown 45 property in New York City through an SPE. The Company is managing and operating the property for rental purposes while the Company converts it into VOI inventory. The SPE financed the acquisition and planned renovations with a four-year mortgage note and mandatorily redeemable equity provided by related parties of such partner. At the time of the agreement, the Company committed to purchase such VOI inventory from the SPE over a four-year period which will be used to repay the four-year mortgage note and the mandatorily redeemable equity of the SPE. The Company was considered to be the primary beneficiary of the SPE and therefore, the Company consolidated the SPE within its financial statements. During the first quarter of 2017, the Company made its final purchase of VOI inventory from the SPE, and the mortgage note and redeemable equity were extinguished.

Clearwater, FL Property

During 2015, the Company entered into an agreement with a third-party partner whereby the partner would develop and construct VOI inventory through an SPE. During the first quarter of 2017, the third-party partner met certain conditions of the agreement, which resulted in the Company committing to purchase $51 million of VOI inventory from the SPE over a two-year period. Such proceeds from the purchase will be used by the SPE to repay its mortgage notes related to the property. The Company is considered to be the primary beneficiary for specified assets and liabilities of the SPE and, therefore, the Company consolidated $51 million of both property and equipment and long-term debt on its Consolidated Balance Sheet.

Saint Thomas, U.S. Virgin Islands Property

During 2015, the Company sold real property located in Saint Thomas, U.S. Virgin Islands to a third-party developer to construct VOI inventory through an SPE. In accordance with the agreements with the third-party developer, the Company has conditional rights and conditional obligations to repurchase the completed property from the developer subject to the property conforming to the Company's vacation ownership resort standards and provided that the third-party developer has not sold the property to another party.

As a result of a disruption to VOI sales caused by the impact of the hurricanes on Saint Thomas, U.S. Virgin Islands in 2017, there was a change in the economics of the transaction due to a reduction in the fair value of the assets of the SPE. As such, the Company is now considered the primary beneficiary for specified assets and liabilities of the SPE, and therefore consolidated $64 million of property and equipment and $104 million of long-term debt on its Consolidated Balance Sheet. As a result of this consolidation, the Company incurred a non-cash $37 million loss due to a write-down of property and equipment to fair value. Such loss is presented within impairment expense on the Consolidated Statement of Income (see Note 24 – Impairments and Other Charges for further details).

The assets and liabilities of the Clearwater, FL Property, Saint Thomas Property and Midtown 45, NYC Property SPEs are as follows:

	December 31, 2017	December 31, 2016
Receivable for leased property and equipment [(a)]	$ —	$ 16
Property and equipment, net	90	—
Total SPE assets	90	16
Long-term debt [(b)]	131	17
Total SPE liabilities	131	17
SPE deficit	$ (41)	$ (1)

(a) Represents a receivable for assets leased to the Company which are reported within property and equipment, net on the Company's Consolidated Balance Sheets.

(b) As of December 31, 2017, included $131 million relating to mortgage notes, of which, $98 million was included in current portion of long-term debt on the Consolidated Balance Sheet. As of December 31, 2016, included $15 million relating to a four-year mortgage note due in 2017 and $2 million of mandatorily redeemable equity; both of which were included in current portion of long-term debt on the Consolidated Balance Sheet.

During 2017 and 2016, the SPEs conveyed $38 million and $28 million, respectively, of property and equipment to the Company. In addition, the Company subsequently transferred $52 million of VOI inventory to property and equipment during 2017 and transferred $36 million of property and equipment to VOI inventory during 2016.

16. Fair Value

The Company measures its financial assets and liabilities at fair value on a recurring basis and utilizes the fair value hierarchy to determine such fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value driver is observable.

Level 3: Unobservable inputs used when little or no market data is available. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls has been determined based on the lowest level input (closest to Level 3) that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The Company's derivative instruments primarily consist of pay-fixed/receive-variable interest rate swaps, pay-variable/receive-fixed interest rate swaps, interest rate caps, foreign exchange forward contracts and foreign exchange average rate forward contracts (see Note 17 – Financial Instruments for more detail). For assets and liabilities that are measured using quoted prices in active markets, the fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using other significant observable inputs are valued by reference to similar assets and liabilities. For these items, a significant portion of fair value is derived by reference to quoted prices of similar assets and liabilities in active markets. For assets and liabilities that are measured using significant unobservable inputs, fair value is primarily derived using a fair value model, such as a discounted cash flow model.

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 are as follows:

	December 31, 2017		December 31, 2016	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Vacation ownership contract receivables, net	$ 2,901	$ 3,489	$ 2,777	$ 3,344
Debt				
Total debt	6,007	6,085	5,441	5,508

The Company estimates the fair value of its vacation ownership contract receivables using a discounted cash flow model which it believes is comparable to the model that an independent third-party would use in the current market. The model uses Level 3 inputs consisting of default rates, prepayment rates, coupon rates and loan terms for the contract receivables portfolio as key drivers of risk and relative value that, when applied in combination with pricing parameters, determines the fair value of the underlying contract receivables.

The Company estimates the fair value of its securitized vacation ownership debt by obtaining Level 2 inputs comprised of indicative bids from investment banks that actively issue and facilitate the secondary market for timeshare securities. The Company estimates the fair value of its other long-term debt, excluding capital leases, using Level 2 inputs based on indicative bids from investment banks and determines the fair value of its senior notes using quoted market prices (such senior notes are not actively traded).

17. Financial Instruments

The designation of a derivative instrument as a hedge and its ability to meet the hedge accounting criteria determine how the change in fair value of the derivative instrument will be reflected in the Consolidated Financial Statements. A derivative qualifies for hedge accounting if, at inception, the derivative is expected to be highly effective in offsetting the underlying hedged cash flows or fair value and the hedge documentation standards are fulfilled at the time the Company enters into the derivative contract. A hedge is designated as a cash flow hedge based on the exposure being hedged. The asset or liability value of the derivative will change in tandem with its fair value. Changes in fair value, for the effective portion of qualifying hedges, are recorded in AOCI. The derivative's gain or loss is released from AOCI to match the timing of the underlying hedged cash flows effect on earnings.

The Company reviews the effectiveness of its hedging instruments on an ongoing basis, recognizes current period hedge ineffectiveness immediately in earnings and discontinues hedge accounting for any hedge that it no longer considers to be highly effective. The Company recognizes changes in fair value for derivatives not designated as hedges or those not qualifying for hedge accounting in current period earnings. Upon termination of cash flow hedges, the Company releases gains and losses from AOCI based on the timing of the underlying cash flows, unless the termination results from the failure of the intended transaction to occur in the expected time frame. Such untimely transactions require the Company to immediately recognize in earnings gains and losses previously recorded in AOCI.

Changes in interest rates and foreign exchange rates expose the Company to market risk. The Company also uses cash flow hedges as part of its overall strategy to manage its exposure to market risks associated with fluctuations in interest rates and foreign currency exchange rates. As a matter of policy, the Company only enters into transactions that it believes will be highly effective at offsetting the underlying risk and it does not use derivatives for trading or speculative purposes.

The Company uses the following derivative instruments to mitigate its foreign currency exchange rate and interest rate risks:

Foreign Currency Risk

The Company has foreign currency rate exposure to exchange rate fluctuations worldwide with particular exposure to the British pound, Euro and Canadian and Australian dollar. The Company uses freestanding foreign currency forward contracts to manage a portion of its exposure to changes in foreign currency exchange rates associated with its foreign currency denominated receivables, payables and forecasted earnings of foreign subsidiaries. Additionally, the Company uses foreign currency forward contracts designated as cash flow hedges to manage a portion of its exposure to changes in forecasted foreign currency denominated vendor payments. The amount of gains or losses relating to contracts designated as cash flow hedges that the Company expects to reclassify from AOCI to earnings over the next 12 months is not material.

Interest Rate Risk

A portion of the debt used to finance the Company's operations is 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. The Company also uses swaps to convert specific fixed-rate debt into variable-rate debt (i.e., fair value hedges) to manage the overall interest cost. For relationships designated as fair value hedges, changes in fair value of the derivatives are recorded in income with offsetting adjustments to the carrying amount of the hedged debt. The amount of gains or losses that the Company expects to reclassify from AOCI to earnings during the next 12 months is not material.

The following table summarizes information regarding the gains/(losses) recognized in AOCI for the years ended December 31:

	2017	2016	2015
Designated hedging instruments			
Interest rate contracts	$ —	$ —	$ 4
Foreign exchange contracts	(2)	—	3
Total	$ (2)	$ —	$ 7

The following table summarizes information regarding the gains/(losses) recognized in income on the Company's freestanding derivatives for the years ended December 31:

	2017	2016	2015
Non-designated hedging instruments			
Foreign exchange contracts [(*)]	$ 1	$ (20)	$ (12)

(*) Included within operating expenses on the Consolidated Statements of Income, which is primarily offset by changes in the value of the underlying assets and liabilities.

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, 2017, there were no significant concentrations of credit risk with any individual counterparty or groups of counterparties. However, approximately 18% 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 and Nevada are examples of areas with concentrations of sales offices. For the year ended December 31, 2017, approximately 16% and 15% of the Company's VOI sales revenues were generated in sales offices located in Florida and Nevada, respectively.

Included within the Consolidated Statements of Income is net revenues generated from transactions in the state of Florida of approximately 14% during 2017 and 2016 and 15% during 2015, and 11% of net revenues generated from transactions in the state of California during 2017, and 12% during 2016 and 2015.

18. Commitments and Contingencies

COMMITMENTS

Leases

The Company is committed to making rental payments under non-cancelable operating leases covering various facilities and equipment. Future minimum lease payments required under non-cancelable operating leases as of December 31, 2017 are as follows:

	Continuing Operations	Discontinued Operations
2018	$ 51	$ 49
2019	44	20
2020	35	13
2021	29	12
2022	25	9
Thereafter	119	71
	$ 303	$ 174

The Company incurred total rental expense for continuing operations of $66 million, $63 million and $65 million during 2017, 2016 and 2015, respectively. The Company incurred total rental expense for discontinued operations of $19 million during 2017, and $18 million during 2016 and 2015.

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. Purchase commitments made by the Company as of December 31, 2017 aggregated $553 million, of which $228 million were related to the development of vacation ownership properties, $162 million were for information technology activities, and $86 million were for marketing-related activities.

Letters of Credit

As of December 31, 2017, the Company had $49 million of irrevocable standby letters of credit outstanding, of which $1 million were under its revolving credit facilities. As of December 31, 2016, the Company had $69 million of irrevocable standby letters of credit outstanding, of which $1 million were under its revolving credit facilities. Such letters of credit issued during 2017 and 2016 primarily supported the securitization of vacation ownership contract receivables fundings, certain insurance policies and development activity at the Company's vacation ownership business.

Surety Bonds

A portion of the Company's vacation ownership sales and developments are supported by surety bonds provided by affiliates of certain insurance companies in order to meet regulatory requirements of certain states. In the ordinary course of the Company's business, it has assembled commitments from 12 surety providers in the amount of $1.3 billion, of which the Company had $471 million outstanding as of December 31, 2017. The availability, terms and conditions and pricing of bonding capacity are dependent on, among other things, continued financial strength and stability of the insurance company affiliates providing the bonding capacity, general availability of such capacity and the Company's corporate credit rating. If the bonding capacity is unavailable or, alternatively, the terms and conditions and pricing of the bonding capacity are unacceptable to the Company, its vacation ownership business could be negatively impacted.

LITIGATION

The Company is involved in claims, legal and regulatory proceedings and governmental inquiries related to the Company's business.

Wyndham Worldwide Corporation Litigation

The Company's business is involved in claims, legal and regulatory proceedings and governmental inquiries arising in the ordinary course of its business including but not limited to: for its hotel group business — 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, negligence, breach of contract, fraud, employment, consumer protection and other statutory claims

asserted in connection with alleged acts or occurrences at owned, franchised or managed properties or in relation to guest reservations and bookings; for its destination network business — breach of contract, fraud and bad faith claims by affiliates and customers in connection with their respective agreements, negligence, breach of contract, fraud, consumer protection and other statutory claims asserted by members, guests and other consumers for alleged injuries sustained at or acts or occurrences related to affiliated resorts and vacation rental properties, or in relation to guest reservations and bookings; for its vacation ownership business — breach of contract, bad faith, conflict of interest, fraud, consumer protection and other statutory claims by property owners' associations, owners and prospective owners in connection with the sale or use of VOIs or land, or the management of vacation ownership resorts, construction defect claims relating to vacation ownership units or resorts or in relation to guest reservations and bookings; and negligence, breach of contract, fraud, consumer protection and other statutory claims by guests and other consumers for alleged injuries sustained at or acts or occurrences related to vacation ownership units or resorts or in relation to guest reservations and bookings; and for each of its businesses, bankruptcy proceedings involving efforts to collect receivables from a debtor in bankruptcy, employment matters including, but not limited to, claims of wrongful termination, retaliation, discrimination, harassment and wage and hour claims, claims of infringement upon third parties' intellectual property rights, claims relating to information security, privacy and consumer protection, fiduciary duty/trust claims, tax claims, environmental claims and landlord/tenant disputes.

The Company records an accrual for legal contingencies when it determines, after consultation with outside counsel, that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations, the Company evaluates, among other things, the degree of probability of an unfavorable outcome and, when it is probable that a liability has been incurred, the Company's ability to make a reasonable estimate of loss. The Company reviews these accruals each reporting period and makes revisions based on changes in facts and circumstances including changes to its strategy in dealing with these matters.

The Company believes that it has adequately accrued for such matters with reserves of$28 million and $39 million as of December 31, 2017 and 2016, respectively. Such reserves are exclusive of matters relating to the Company's Separation from Cendant. For matters not requiring accrual, the Company believes that such matters will not have a material 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 results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to the Company with respect to earnings and/or cash flows in any given reporting period. The Company had receivables of $1 million as of December 31, 2017 for certain matters which are covered by insurance and were included in other current assets on its Consolidated Balance Sheet. As of December 31, 2017, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to $86 million in excess of recorded accruals. However, the Company does not believe that the impact of such litigation should result in a material liability to the Company in relation to its consolidated financial position and/or liquidity.

Cendant Litigation

Under the Cendant Separation agreement, the Company agreed to be responsible for37.5% of certain of Cendant's contingent and other corporate liabilities and associated costs, including certain contingent litigation. Since the Separation, Cendant settled the majority of the lawsuits pending on the date of the Separation. See also Note 26 - Cendant Separation and Transactions with Former Parent and Subsidiaries regarding contingent litigation liabilities resulting from the Separation.

GUARANTEES/INDEMNIFICATIONS

Standard Guarantees/Indemnifications

In the ordinary course of business, the Company enters into agreements that contain standard guarantees and indemnities whereby the Company indemnifies another party for specified breaches of, or third-party claims relating to, an underlying agreement. Such underlying agreements are typically entered into by one of the Company's subsidiaries. The various underlying agreements generally govern purchases, sales or outsourcing of products or services, leases of real estate, licensing of software and/or development of vacation ownership properties, access to credit facilities, derivatives and issuances of debt securities. Also in the ordinary course of business, the Company provides corporate guarantees for its operating business units relating to merchant credit-card processing for prepaid customer stays and other deposits. While a majority of these guarantees and indemnifications extend only for the duration of the underlying agreement, some survive the expiration of the agreement. The Company is not able to estimate the maximum potential amount of future payments to be made under these guarantees and indemnifications as the triggering events are not predictable. In certain cases, the Company maintains insurance coverage that may mitigate any potential payments.

Other Guarantees/Indemnifications

Hotel Group

The Company has entered into hotel management agreements that provide the hotel owner with a guarantee of a certain level of profitability based upon various metrics. Under such agreements, the Company would be required to compensate the hotel owner for any profitability shortfall over the life of the management agreement up to a specified aggregate amount. For certain agreements, the Company may be able to recapture all or a portion of the shortfall payments in the event that future operating results exceed targets. The original terms of the Company's existing guarantees range from 8 to 10 years. As of December 31, 2017, the maximum potential amount of future payments that may be made under these guarantees was $116 million with a combined annual cap of $27 million. These guarantees have a remaining life of 3 to 7 years with a weighted average life of approximately 5 years.

In connection with such performance guarantees, as of December 31, 2017, the Company maintained a liability of $23 million, of which $16 million was included in other non-current liabilities and $7 million was included in accrued expenses and other current liabilities on its Consolidated Balance Sheet. As of December 31, 2017, the Company also had a corresponding $12 million asset related to these guarantees, of which $1 million was included in other current assets and $11 million was included in other non-current assets on its Consolidated Balance Sheet. As of December 31, 2016, the Company maintained a liability of $24 million, of which $17 million was included in other non-current liabilities and $7 million was included in accrued expenses and other current liabilities on its Consolidated Balance Sheet. As of December 31, 2016, the Company also had a corresponding $32 million asset related to the guarantees, of which $28 million was included in other non-current assets and $4 million was included in other current assets on its Consolidated Balance Sheet. Such assets are being amortized on a straight-line basis over the life of the agreements. The amortization expense for the assets noted above was $2 million and $4 million during 2017 and 2016, respectively.

For guarantees subject to recapture provisions, the Company had a receivable of $41 million as of December 31, 2017, which was included in other non-current assets on its Consolidated Balance Sheet. As of December 31, 2016, the Company had a receivable of $36 million which was included in other non-current assets on its Consolidated Balance Sheet. Such receivables were the result of payments made to date that are subject to recapture and which the Company believes will be recoverable from future operating performance.

Vacation Ownership

In the ordinary 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 VOIs. The Company may be required to fund such excess as a result of unsold Company-owned VOIs or failure by owners to pay such assessments. In addition, from time to time, the Company will agree to reimburse certain owner associations up to 75% of their uncollected assessments. These guarantees extend for the duration of the underlying subsidy or similar agreement (which generally approximate one year and are renewable at the discretion of the Company on an annual basis). The maximum potential future payments that the Company may be required to make under these guarantees were approximately $360 million as of December 31, 2017. The Company would only be required to pay this maximum amount if none of the assessed owners paid their assessments. Any assessments collected from the owners of the VOIs 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 rentals. During 2017, 2016 and 2015, the Company made payments related to these guarantees of $11 million, $13 million and $15 million, respectively. As of December 31, 2017 and 2016, the Company maintained a liability in connection with these guarantees of $35 million and $33 million, respectively, on its Consolidated Balance Sheets.

The Company has guaranteed to repurchase completed properties located in Las Vegas, Nevada from third-party developer subject to the properties meeting the Company's vacation ownership resort standards and provided that the third-party developers have not sold the properties to another party (see Note 10 - Inventory for further details).

In connection with the Company's vacation ownership inventory sale transactions, for which it has conditional rights and conditional obligations to repurchase the completed properties, the Company is required to maintain an investment-grade credit rating from at least one rating agency. If at any time the Company fails to maintain such rating, it is required to post collateral in favor of the development partner in an amount equal to the remaining obligation under the agreements. In January 2018, we amended the agreement to remove the requirement to post collateral for failure to maintain an investment-grade credit rating.

As part of Wyndham Asset Affiliation Model Fee-for-Service, the Company may guarantee to reimburse the developer a certain payment or to purchase inventory from the developer, for a percentage of the original sale price if certain future conditions exist. As of December 31, 2017 the maximum potential future payments that the Company may be required to make under these guarantees were approximately $40 million. As of December 31, 2017 and 2016, the Company had no recognized liabilities in connection with these guarantees.

19. Accumulated Other Comprehensive Income/(Loss)

The components of AOCI are as follows:

Pretax	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive Income/(Loss)
Balance as of December 31, 2014	$ (13)	$ (8)	$ (12)	$ (33)
Period change	(126)	8	3	(115)
Balance as of December 31, 2015	(139)	—	(9)	(148)
Period change	(86)	—	2	(84)
Balance as of December 31, 2016	(225)	—	(7)	(232)
Period change	129	(1)	1	129
Balance as of December 31, 2017	$ (96)	$ (1)	$ (6)	$ (103)

Tax	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive Income/(Loss)
Balance as of December 31, 2014	$ 50	$ 4	$ 3	$ 57
Period change	20	(3)	—	17
Balance as of December 31, 2015	70	1	3	74
Period change	46	—	(1)	45
Balance as of December 31, 2016	116	1	2	119
Period change	(26)	—	—	(26)
Balance as of December 31, 2017	$ 90	$ 1	$ 2	$ 93

Net of Tax	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive Income/(Loss)
Balance as of December 31, 2014	$ 37	$ (4)	$ (9)	$ 24
Period change	(106)	5	3	(98)
Balance as of December 31, 2015	(69)	1	(6)	(74)
Period change	(40)	—	1	(39)
Balance as of December 31, 2016	(109)	1	(5)	(113)
Period change	103	(1)	1	103
Balance as of December 31, 2017	$ (6)	$ —	$ (4)	$ (10)

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.

20. Stock-Based Compensation

The Company has a stock-based compensation plan available to grant RSUs, SSARs, PSUs and other stock-based awards to key employees, non-employee directors, advisors and consultants. Under the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, as amended, a maximum of 36.7 million shares of common stock may be awarded. As of December 31, 2017, 15.6 million shares remained available.

Incentive Equity Awards Granted by the Company

The activity related to incentive equity awards granted by the Company for the year ended December 31, 2017 consisted of the following:

	RSUs		PSUs		SSARs	
	Number of RSUs	Weighted Average Grant Price	Number of PSUs	Weighted Average Grant Price	Number of SSARs	Weighted Average Exercise Price
Balance as of December 31, 2016	1.7	$ 75.81	0.6	$ 77.84	0.5	$ 68.78
Granted [a]	0.8	85.88	0.3	83.86	—	—
Vested/exercised	(0.7)	73.77	(0.2)	72.97	(0.3)	64.16
Canceled	(0.2)	78.29	—	—	—	—
Balance as of December 31, 2017	1.6 [b][c]	81.18	0.7 [d]	81.77	0.2 [e][f]	77.40

(a) Primarily represents awards granted by the Company on February 28, 2017.

(b) Aggregate unrecognized compensation expense related to RSUs was $91 million as of December 31, 2017, which is expected to be recognized over a weighted average period of 2.6 years.

(c) Approximately 1.6 million RSUs outstanding as of December 31, 2017 are expected to vest over time.

(d) Maximum aggregate unrecognized compensation expense was $38 million as of December 31, 2017, which is expected to be recognized over a weighted average period of 1.7 years.

(e) Aggregate unrecognized compensation expense related to SSARs was $2 million as of December 31, 2017, which is expected to be recognized over a weighted average period of 1.8 years.

(f) There were no SSARs that were exercisable at December 31, 2017. The Company assumes that all unvested SSARs are expected to vest over time. SSARs outstanding as of December 31, 2017 had an intrinsic value of $7 million and have a weighted average remaining contractual life of 3.6 years.

During 2017, 2016 and 2015, the Company granted incentive equity awards totaling $66 million, $64 million and $61 million, respectively, to the Company's key employees and senior officers in the form of RSUs and SSARs. The 2017, 2016 and 2015 awards will vest ratably over a period of four years. In addition, during 2017, 2016 and 2015, the Company approved grants of incentive equity awards totaling $22 million, $17 million and $16 million, respectively, to key employees and senior officers of Wyndham in the form of PSUs. These awards cliff vest on the third anniversary of the grant date, contingent upon the Company achieving certain performance metrics. In August 2017, in conjunction with the proposed spin-off of the hotel franchising business, the Board of Directors approved certain modifications to the incentive equity awards granted by the Company which are contingent upon the completion of the proposed spin-off.

The Company did not issue any SSARs during 2017. The fair value of SSARs granted by the Company during 2016 and 2015 was estimated on the date of the grant using the Black-Scholes option-pricing model with the relevant weighted average assumptions outlined in the table below. Expected volatility is based on both historical and implied volatilities of the Company's stock over the estimated expected life of the SSARs. The expected life represents the period of time the SSARs are expected to be outstanding and is based on historical experience given consideration to the contractual terms and vesting periods of the SSARs. The-risk free interest rate is based on yields on U.S. Treasury strips with a maturity similar to the estimated expected life of the SSARs. The projected dividend yield was based on the Company's anticipated annual dividend divided by the price of the Company's stock on the date of the grant.

	2016	2015
Grant date fair value	$ 13.70	$ 18.55
Grant date strike price	$ 71.65	$ 91.81
Expected volatility	27.81%	25.38%
Expected life	5.2 years	5.1 years
Risk-free interest rate	1.33%	1.64%
Projected dividend yield	2.79%	1.83%

Stock-Based Compensation Expense

The Company recorded stock-based compensation expense of $68 million, $68 million and $58 million during 2017, 2016 and 2015, respectively, related to the incentive equity awards granted to key employees and senior officers by the Company. Such stock-based compensation expense included $1 million of expense related to discontinued operations during 2017, 2016 and 2015. The Company also recorded stock-based compensation expense for non-employee directors of $2 million during 2017, and $1 million during 2016 and 2015. Additionally, $1 million of stock-based compensation expense was recorded within restructuring expense during 2017.

The Company paid $39 million, $36 million and $42 million of taxes for the net share settlement of incentive equity awards during2017, 2016 and 2015, respectively. Such amounts are included within financing activities on the Consolidated Statements of Cash Flows.

21. Employee Benefit Plans

Defined Contribution Benefit Plans

Wyndham sponsors domestic defined contribution savings plans and a domestic deferred compensation plan that provide 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 each plan. The Company's cost for these plans was $35 million during 2017 and $36 million during 2016 and 2015.

In addition, the Company contributes to several foreign employee benefit contributory plans which also provide eligible employees with an opportunity to accumulate funds for retirement. The Company's contributory cost for these plans was $11 million during 2017 and 2016 and $10 million during 2015.

Defined Benefit Pension Plans

The Company sponsors defined benefit pension plans for certain foreign subsidiaries. Under these plans, benefits are based on an employee's years of credited service and a percentage of final average compensation or as otherwise described by the plan. All of the foreign subsidiaries that are covered by these plans are part of the Company's European vacation rentals business which is presented as discontinued operations. Any gain or loss related to the settlement of the Company's obligation under these plans will be included as a component of the overall gain or loss of the disposal of the business. The Company had a net pension liability of $14 million and $13 million, as of December 31, 2017 and 2016, respectively, which is included within liabilities held for sale on the Consolidated Balance Sheets. As ofDecember 31, 2017, the Company recorded $4 million of an unrecognized loss, within AOCI on the Consolidated Balance Sheet. As ofDecember 31, 2016, the Company recorded $5 million of an unrecognized loss within AOCI on the Consolidated Balance Sheet.

The Company's policy is to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax laws and additional amounts that the Company determines to be appropriate. The Company recorded pension expense of $1 million during 2017 and $3 million during 2016 and 2015.

22. Segment Information

The reportable segments presented below represent the Company's operating segments for which separate financial information is available and which is 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 net revenues and "EBITDA", which is defined as net income before depreciation and amortization, interest expense (excluding consumer financing interest), early extinguishment of debt, interest income (excluding consumer financing revenues) and income taxes, each of which is presented on the Consolidated Statements of Income. The Company believes that EBITDA is a useful measure of performance for its industry segments which, when considered with GAAP measures, the Company believes gives a more complete understanding of its operating performance. The Company's presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

YEAR ENDED OR AS OF DECEMBER 31, 2017

	Hotel Group	Destination Network	Vacation Ownership	Corporate and Other	Total
Net revenues [a]	$ 1,343	$ 912	$ 2,905	$ (84) [e]	$ 5,076
EBITDA	367	257	489	(161)	952
Depreciation and amortization	76	42	63	32	213
Segment assets	2,094	1,446 [f]	5,245	189	8,974
Capital expenditures	46	27	72	8	153

YEAR ENDED OR AS OF DECEMBER 31, 2016

	Hotel Group	Destination Network	Vacation Ownership	Corporate and Other	Total
Net revenues [b]	$ 1,309	$ 898	$ 2,794	$ (75) [e]	$ 4,926
EBITDA	391	222	694	(110)	1,197
Depreciation and amortization	75	42	53	32	202
Segment assets [c]	1,943	1,369 [f]	5,060	252	8,624
Capital expenditures	42	31	68	19	160

YEAR ENDED OR AS OF DECEMBER 31, 2015

	Hotel Group	Destination Network	Vacation Ownership	Corporate and Other	Total
Net revenues [d]	$ 1,297	$ 880	$ 2,772	$ (71) [e]	$ 4,878
EBITDA	349	239	687	(137)	1,138
Depreciation and amortization	69	43	47	28	187
Segment assets [c]	1,832	1,365 [f]	4,928	175	8,300
Capital expenditures	52	34	81	22	189

(a) Includes $73 million of intercompany segment revenues in the Company's Hotel Group segment comprised of (i) $59 million of intersegment licensing fees for use of the Wyndham trademark and (ii) $14 million of other fees primarily associated with the Wyndham Rewards program. Such revenues are offset in expenses at the Company's Vacation Ownership segment. In addition, includes $ 11 million of intercompany segment revenues in the Company's Destination Network segment primarily related to call center services provided to the Company's Hotel Group segment.

(b) Includes $67 million of intercompany segment revenues in the Company's Hotel Group segment comprised of (i) $56 million of intersegment licensing fees for use of the Wyndham trademark, (ii) $4 million of room revenues at a Company owned hotel and (iii) $7 million of other fees primarily associated with the Wyndham Rewards program. Such revenues are offset in expenses at the Company's Vacation Ownership segment. In addition, includes $8 million of intercompany segment revenues in the Company's Destination Network segment primarily related to call center services provided to the Company's Hotel Group segment.

(c) Reflects the impact of the adoption of the new accounting standards related to the balance sheet classification of deferred taxes and the presentation of debt issuance costs during 2016 and 2015. See Note 2 - Summary of Significant Accounting Policies for additional information regarding the adoption of this guidance.

(d) Includes $71 million of intercompany segment revenues in the Company's Hotel Group segment comprised of (i) $57 million of intersegment licensing fees for use of the Wyndham trademark, (ii) $8 million of room revenues at a Company owned hotel and (iii) $6 million of other fees primarily associated with the Wyndham Rewards program. Such revenues are offset in expenses at the Company's Vacation Ownership segment.

(e) Includes the elimination of transactions between segments.

(f) Excludes assets held for sale related to the Company's European vacation rentals business of $1,429 million, $1,195 million and $1,291 million in 2017, 2016 and 2015, respectively. See Note 3 - Discontinued Operations for additional information.

Provided below is a reconciliation of net income attributable to Wyndham shareholders to EBITDA.

	Year Ended December 31,		
	2017	2016	2015
Net income attributable to Wyndham shareholders	$ 871	$ 611	$ 612
Net income attributable to noncontrolling interest	1	1	—
Income from discontinued operations, net of tax	(53)	(67)	(60)
(Benefit)/provision for income taxes	(229)	313	285
Depreciation and amortization	213	202	187
Interest expense	156	133	122
Early extinguishment of debt	—	11	—
Interest income	(7)	(7)	(8)
EBITDA	$ 952	$ 1,197	$ 1,138

The geographic segment information provided below is classified based on the geographic location of the Company's subsidiaries.

	United States	All Other Countries	Total
Year Ended or As of December 31, 2017			
Net revenues	$ 4,409	$ 667	$ 5,076
Net long-lived assets	3,021	480	3,501
Year Ended or As of December 31, 2016			
Net revenues	$ 4,238	$ 688	$ 4,926
Net long-lived assets	2,945	322	3,267
Year Ended or As of December 31, 2015			
Net revenues	$ 4,248	$ 630	$ 4,878
Net long-lived assets	2,992	278	3,270

23. Separation-Related Costs

In 2017, the Company announced its intent to spin-off its hotel group business, which will result in its operations being held by two separate, publicly traded companies (see Note 1 - Basis of Presentation for further details).

During 2017, the Company incurred $51 million of expenses associated with the planned spin-off of its hotel group business and $15 million of expenses in connection with activities associated with its decision to dispose of its European vacation rentals business. These costs include legal, consulting and auditing fees, severance and other employee-related costs.

24. Impairments and Other Charges

Impairments

During 2017, the Company performed an in-depth review of its operations, including its current development pipeline and long-term development plan. In connection with such review, the Company updated its current and long-term development plan to focus on (i) selling existing finished inventory and (ii) procuring inventory from efficient sources such as just-in-time inventory in new markets and reclaiming inventory from owners' associations or owners. As a result, the Company's management performed a review of its land held for VOI development. Such review consisted of an assessment on 19 locations to determine its plan for future VOI development at those sites. As a result of this assessment, the Company concluded that no future development would occur at 17 locations, of which 16 were deemed to be impaired.

The Company performed a fair value assessment on the land held for VOI development which resulted in a $121 million non-cash impairment charge during the second quarter of 2017. In addition, the Company also recorded a $14 million non-cash impairment charge relating to the write-off of construction in process costs at six of the 16 impaired locations. As a result, the Company reported a total non-cash impairment charge of $135 million, which is included within impairment expense on the Consolidated Statement of Income.

In conjunction with this review and impairment, in May 2017, the Company sold three of the 17 locations, as well as non-core revenue generating assets to a former executive of the Company for $2 million of cash consideration, which resulted in a $7 million loss. The Company also has an agreement with the former executive to sell an additional two of the 17 locations for $2 million, resulting in a $13 million non-cash impairment charge. Such transaction is to be completed no later than December 2018. The $7 million loss and $13 million non-cash impairment charge on the expected sale were included within the total non-cash impairment charge of $135 million.

The Company had $4 million of land classified as assets held for sale as of December 31, 2017 which was included within other current assets on the Company's Consolidated Balance Sheet. The fair value of the land held for sale was determined by reviewing prices of comparable assets which were recently sold and by actual purchase and sale agreements for the assets to estimated fair value, which represents Level 3 fair value measurements. The Company has entered into a three-year agreement with the former executive whereby such executive may assist the Company in selling the land held for sale. As part of such agreement, the former executive will be entitled to receive brokerage commissions upon the sale of land classified as assets held for sale.

During 2017, the Company incurred a $5 million non-cash impairment charge related to the write-down of assets resulting from the decision to abandon a new product initiative at the Company's vacation ownership business. Such charge is recorded within impairment expense on the Consolidated Statement of Income.

During 2017, the Company incurred $65 million of non-cash impairment charges resulting from a disruption to VOI sales caused by the impact of the hurricanes on Saint Thomas, U.S. Virgin Islands at its vacation ownership business. The charges were comprised of a $37 million charge due to a write-down of property and equipment to fair value resulting from the consolidation of the Saint Thomas SPE and a $28 million charge due to a write-down of VOI inventory to its fair value. Such charge is recorded within impairment expense on the Consolidated Statement of Income.

During 2017, the Company recorded $41 million of non-cash impairment charges at its hotel group business, of which, $25 million was for a write-down of a guarantee asset and a development advance note receivable related to a hotel management agreement that the Company determined was no longer recoverable and $16 million was primarily related to a partial write-down of management agreement assets. Such amount is recorded within impairment expense on the Consolidated Statement of Income.

During 2015, the Company recorded a $7 million non-cash impairment charge at its hotel group business related to the write-down of terminated in-process technology projects resulting from the decision to outsource its reservation system to a third-party partner. Such charge is recorded within impairment expense on the Consolidated Statement of Income.

Other Charges

During 2017, the Company recorded a $20 million write-down of property and equipment related to damage sustained from Hurricane Maria at its owned Rio Mar hotel in Puerto Rico. The property damage is fully recoverable through insurance coverage and as such, the Company did not incur a loss on the damage. The Company has received $11 million of cash during

2017, which is reported in investing activities within the Consolidated Statement of Cash Flows, and has a $9 million receivable reported in other current assets on the Consolidated Balance Sheet as of December 31, 2017.

During 2016, the Company incurred a $24 million foreign exchange loss, primarily impacting cash, resulting from the Venezuelan government's decision to devalue the exchange rate of its currency. Such loss is recorded within operating expenses on the Consolidated Statement of Income.

During 2016, the Company recorded a $7 million charge related to the termination of a management contract at its hotel group business. Such loss is recorded within operating expenses on the Consolidated Statement of Income.

During 2015, the Company recorded a $14 million charge relating to the termination of a management agreement at its hotel group business. Such loss is recorded within operating expenses on the Consolidated Statement of Income.

25. Restructuring

2017 Restructuring Plans

During 2017, the Company recorded $15 million of charges related to restructuring initiatives, all of which are personnel-related, associated with a reduction of 200 employees. The charges consisted of (i) $8 million at its Destination Network segment which primarily focused on enhancing organizational efficiency and rationalizing its operations, (ii) $6 million at its corporate operations which focused on rationalizing its sourcing function and outsourcing certain information technology functions and (iii) $1 million at its Hotel Group segment which primarily focused on realigning its brand operations. During 2017, the Company reduced its restructuring liability by $11 million, of which $10 million was in cash payments and $1 million was through the issuance of Wyndham stock. The remaining liability of $4 million, as of December 31, 2017, is expected to be paid by the end of 2018.

2016 Restructuring Plans

During 2016, the Company recorded $14 million of charges related to restructuring initiatives, primarily focused on enhancing organizational efficiency and rationalizing existing facilities which included the closure of four vacation ownership sales offices. In connection with these initiatives, the Company initially recorded $11 million of personnel-related costs, a $2 million non-cash asset impairment charge and $2 million of facility-related expenses. In 2016, the Company subsequently reversed $1 million of previously recorded personnel-related costs and reduced its liability with $5 million of cash payments. During 2017, the Company reduced its liability by $7 million, of which $6 million was in cash payments. The remaining liability of $1 million, as of December 31, 2017, is primarily related to leased facilities, and is expected to be paid by the end of 2020.

Total restructuring costs by segment are as follows:

	Personnel-related [a]	Facility-related	Asset Impairments [b]	Total
Hotel Group	$ 2	$ —	$ —	$ 2
Destination Network	4	—	—	4
Vacation Ownership	4	2	2	8
	$ 10	$ 2	$ 2	$ 14

[a] Represents severance costs incurred across the Company's businesses resulting from a reduction of 503 employees.

[b] Represents the write-off of assets from sales office closures.

2015 Restructuring Plans

During 2015, the Company recorded $6 million of charges related to restructuring initiatives resulting from a realignment of brand services and call center operations within its hotel group business, a rationalization of international operations within its destination network business and a reorganization of the sales function within its vacation ownership business. In connection with these initiatives, the Company initially recorded $7 million of personnel-related costs and a $1 million non-cash asset impairment charge associated with a facility. It subsequently reversed $2 million of previously recorded personnel-related costs

and reduced its liability with $2 million of cash payments. During 2016, the Company paid its remaining liability with $3 million of cash payments.

Total restructuring costs by segment by are as follows:

	Personnel-related [a]	Asset Impairment [b]	Total
Hotel Group	$ 3	$ —	$ 3
Destination Network	1	1	2
Vacation Ownership	1	—	1
	$ 5	$ 1	$ 6

[a] Represents severance cost incurred across the Company's businesses resulting from a reduction of 361 employees.
[b] Represents the non-cash asset impairment charge associated with a facility.

The Company has additional restructuring plans which were implemented prior to 2015. During 2017, the Company reduced its liability for such plans with $1 million of cash payments. The remaining liability of $1 million as of December 31, 2017, all of which is related to leased facilities, is expected to be paid by 2020.

The activity associated with all of the Company's restructuring plans is summarized by category as follows:

	Liability as of December 31, 2014	2015 Activity			Liability as of December 31, 2015
		Costs Recognized	Cash Payments	Other	
Personnel-Related	$ 6	$ 5	$ (8)	$ —	$ 3
Facility-Related	4	—	(2)	—	2
Contract Terminations	1	—	—	(1) [a]	—
Asset Impairments	—	1	—	(1) [b]	—
	$ 11	$ 6	$ (10)	$ (2)	$ 5

	Liability as of December 31, 2015	2016 Activity			Liability as of December 31, 2016
		Costs Recognized	Cash Payments	Other	
Personnel-Related	$ 3	$ 10	$ (7)	$ —	$ 6
Facility-Related	2	2	(1)	—	3
Asset Impairment	—	2	—	(2) [c]	—
	$ 5	$ 14	$ (8)	$ (2)	$ 9

	Liability as of December 31, 2016	2017 Activity			Liability as of December 31, 2017
		Costs Recognized	Cash Payments	Other	
Personnel-Related	$ 6	$ 15	$ (15)	$ (2) [d]	$ 4
Facility-Related	3	—	(2)	—	1
	$ 9	$ 15	$ (17)	$ (2)	$ 5

[a] Represents a reversal of a portion of previously recorded expenses at the Company's destination network business.
[b] Represents the non-cash asset impairment charge associated with a facility at the Company's destination network business.
[c] Represents the write-off of assets from sales office closures at the Company's vacation ownership business.
[d] Primarily represents the issuance of Wyndham stock.

26. Cendant Separation and Transactions with Former Parent and Subsidiaries

Transfer of Cendant Corporate Liabilities and Issuance of Guarantees to Cendant and Affiliates

Pursuant to the Separation and Distribution Agreement, upon the distribution of the Company's common stock to Cendant shareholders, the Company entered into certain guarantee commitments with Cendant (pursuant to the assumption of certain

liabilities and the obligation to indemnify Cendant and certain of its former subsidiaries for such liabilities) and guarantee commitments related to deferred compensation arrangements with each of Cendant and Realogy. These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and Cendant contingent and other corporate liabilities, of which the Company assumed and is responsible for 37.5% while Cendant's former subsidiary Realogy is responsible for the remaining 62.5%. The remaining amount of liabilities which were assumed by the Company in connection with the Cendant Separation was $16 million and $23 million as of December 31, 2017 and 2016, respectively. These amounts were comprised of certain Cendant corporate liabilities which were recorded on the books of Cendant as well as additional liabilities which were established for guarantees issued at the date of the Cendant Separation, related to unresolved contingent matters and others that could arise during the guarantee period. Regarding the guarantees, 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, the Company would be responsible for a portion of the defaulting party or parties' obligation(s). The Company also provided a default guarantee related to certain deferred compensation arrangements related to certain current and former senior officers and directors of Cendant, Realogy and Travelport. These arrangements were valued upon the Cendant Separation in accordance with the guidance for guarantees and recorded as liabilities on the Consolidated Balance Sheets. To the extent such recorded liabilities are not adequate to cover the ultimate payment amounts, such excess will be reflected as an expense to the results of operations in future periods.

As of December 31, 2017, the Company had $16 million of Cendant Separation related liabilities, comprised of $13 million for tax liabilities, $1 million for other contingent and corporate liabilities and $2 million of liabilities where the calculated guarantee amount exceeded the contingent liability assumed at the Separation Date. In connection with these liabilities, as of December 31, 2017, $3 million is recorded in accrued expenses and other current liabilities and $13 million is recorded in other non-current liabilities on the Consolidated Balance Sheet. During 2017, the Company recognized a $6 million benefit from an adjustment to certain contingent liabilities resulting from the Cendant Separation which was recorded in general and administrative expenses on the Consolidated Statement of Income. As of December 31, 2016, the Company had $23 million of Cendant Separation related liabilities of which $10 million was recorded in accrued expenses and other current liabilities and $13 million was recorded in other non-current liabilities on the Consolidated Balance Sheet. The Company will indemnify Cendant for these contingent liabilities and therefore any payments made to the third-party would be through the former Parent. The actual timing of payments relating to these liabilities is dependent on a variety of factors beyond the Company's control. In addition, as of December 31, 2017 and 2016, the Company had $1 million of receivables due from former Parent and subsidiaries primarily relating to income taxes, which are recorded in other current assets on the Consolidated Balance Sheets.

Prior to the Cendant Separation, the Company and Realogy were included in the consolidated federal and state income tax returns of Cendant through the Cendant Separation date for the 2006 period then ended. The Company is generally liable for 37.5% of certain contingent tax liabilities. In addition, each of the Company, Cendant and Realogy may be responsible for 100% of certain of Cendant's tax liabilities that will provide the responsible party with a future, offsetting tax benefit.

27. Selected Quarterly Financial Data - (unaudited)

Provided below is selected unaudited quarterly financial data for 2017 and 2016.

	2017			
	First	Second	Third	Fourth
Net revenues				
Hotel Group	$ 298	$ 345	$ 368	$ 332
Destination Network	240	228	243	200
Vacation Ownership	648	750	773	734
Corporate and Other (*)	(18)	(21)	(23)	(20)
	$ 1,168	$ 1,302	$ 1,361	$ 1,246
EBITDA				
Hotel Group	$ 85	$ 106	$ 121	$ 55
Destination Network	76	61	81	40
Vacation Ownership	118	47	190	133
Corporate and Other	(39)	(28)	(39)	(54)
	240	186	353	174
Less: Depreciation and amortization	51	52	54	55
Interest expense	35	39	41	42
Interest income	(2)	(1)	(1)	(2)
Income before income taxes	156	96	259	79
Provision/(benefit) for income taxes	27	30	98	(383)
Income from continuing operations	129	66	161	462
Income/(loss) from discontinued operations, net of income taxes	12	13	42	(13)
Net income	141	79	203	449
Net income attributable to noncontrolling interest	—	(1)	—	—
Net income attributable to Wyndham Shareholders	$ 141	$ 78	$ 203	$ 449
Basic earnings per share				
Continuing operations	$ 1.23	$ 0.63	$ 1.57	$ 4.58
Discontinued operations	0.11	0.12	0.41	(0.13)
	$ 1.34	$ 0.75	$ 1.98	$ 4.45
Diluted earnings per share				
Continuing operations	$ 1.22	$ 0.63	$ 1.56	$ 4.54
Discontinued operations	0.11	0.12	0.41	(0.13)
	$ 1.33	$ 0.75	$ 1.97	$ 4.41
Weighted average shares outstanding				
Basic	105.2	103.8	102.4	100.9
Diluted	106.0	104.4	102.9	101.8

Note: The sum of the quarters may not agree to the Consolidated Statement of Income for the year ended December 31, 2017 due to rounding.
(*) Includes the elimination of transactions between segments.

	2016			
	First	Second	Third	Fourth
Net revenues				
Hotel Group	$ 295	$ 334	$ 364	$ 316
Destination Network	240	225	243	190
Vacation Ownership	641	705	744	705
Corporate and Other(*)	(18)	(19)	(21)	(18)
	$ 1,158	$ 1,245	$ 1,330	$ 1,193
EBITDA				
Hotel Group	$ 84	$ 101	$ 107	$ 99
Destination Network	54	60	68	39
Vacation Ownership	136	187	189	182
Corporate and Other	(34)	(33)	(31)	(12)
	240	315	333	308
Less: Depreciation and amortization	50	50	50	51
Interest expense	35	33	33	33
Early extinguishment of debt	11	—	—	—
Interest income	(2)	(2)	(2)	(2)
Income before income taxes	146	234	252	226
Provision for income taxes	65	87	98	62
Income from continuing operations	81	147	154	164
Income from discontinued operations, net of tax	15	9	43	—
Net income	96	156	197	164
Net income attributable to noncontrolling interest	—	—	(1)	—
Net income attributable to Wyndham shareholders	$ 96	$ 156	$ 196	$ 164
Basic earnings per share				
Continuing operations	$ 0.72	$ 1.32	$ 1.40	$ 1.54
Discontinued operations	0.13	0.08	0.39	—
	$ 0.85	$ 1.40	$ 1.79	$ 1.54
Diluted earnings per share				
Continuing operations	$ 0.71	$ 1.31	$ 1.39	$ 1.53
Discontinued operations	0.13	0.08	0.39	—
	$ 0.84	$ 1.39	$ 1.78	$ 1.53
Weighted average shares outstanding				
Basic	112.7	111.0	109.0	106.8
Diluted	113.6	111.5	109.6	107.7

Note: The sum of the quarters may not agree to the Consolidated Statement of Income for the year ended December 31, 2016 due to rounding.
(*) Includes the elimination of transactions between segments.

28. Subsequent Event

La Quinta Acquisition

In January 2018, the Company entered into an agreement with La Quinta Holdings Inc., ("La Quinta") to acquire its hotel franchising and management business for $1.95 billion in cash. The acquisition is expected to close in the second quarter of 2018, prior to the spin-off of the Company's hotel business, subject to customary closing conditions, including the receipt of approval the La Quinta stockholders. Under the terms of the agreement, the Company will use a portion of its purchase price to repay approximately $715 million of La Quinta's debt, net of cash, and to set aside a reserve of $240 million for estimated taxes expected to be incurred by La Quinta in connection with its taxable spin-off of its owned real estate assets into a separate entity.

The acquisition of La Quinta's asset-light, fee-for-service business consisting of nearly 900 managed and franchised hotels will expand Wyndham Hotel Group's portfolio to 21 brands and over 9,000 hotels across more than 75 countries. This acquisition is consistent with the Company's strategy to expand its position in the midscale and upper midscale segments of the hotel industry, expand its international footprint and further grow is managed hotel network.

The Company obtained $2.0 billion of funding commitments in connection with the La Quinta acquisition, which expires in January 2019.

Agreement to Sell European Vacation Rentals Business

On February 15, 2018, the Company entered into an agreement for the sale of its European vacation rentals business for approximately $1.3 billion. In conjunction with the sale, the European vacation rentals business will also enter into a 20-year agreement under which it will pay a royalty fee of 1% of net revenue to Wyndham's hotel business for the right to use the by "Wyndham Vacation Rentals" endorser brand. In addition, the European vacation rentals business will also participate as a redemption partner in the Wyndham Rewards loyalty program. The Company has also agreed to provide certain post-closing credit support in order to ensure that the buyer meets the requirements of certain service providers and regulatory authorities. The agreement is subject to certain closing conditions and regulatory approval and is expected to be completed in the second quarter of 2018.

Dividend Increase Authorization

On February 13, 2018, the Company's Board of Directors authorized an increase of the quarterly dividend to $0.66 per share.

Exhibit Index

Number No.	Description of Exhibit
2.1	Separation and Distribution Agreement by and among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 27, 2006 (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed July 31, 2006)
2.2	Amendment No. 1 to Separation and Distribution Agreement by and among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of August 17, 2006 (incorporated by reference to Exhibit 2.2 to the Registrant's Form 10-Q filed November 14, 2006)
2.3	Agreement and Plan of Merger, dated as of January 17, 2018, by and among Wyndham Worldwide Corporation, WHG BB Sub, Inc. and La Quinta Holdings Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed January 18, 2018).
2.4	Support Agreement, dated as of January 17, 2018, by and between Wyndham Worldwide Corporation and each of the persons listed on Annex I thereto (incorporated by reference to Exhibit 2.2 to the Registrant's Form 8-K filed January 18, 2018).
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K filed May 10, 2012)
3.2	Amended and Restated By-Laws (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed August 17, 2015)
4.1	Indenture, dated November 20, 2008, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Form S-3 filed November 25, 2008)
4.2	Third Supplemental Indenture, dated February 25, 2010, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2020 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed February 26, 2010)
4.3	Form of 7.375% Senior Notes due 2020 (included within Exhibit 4.2)
4.4	Fourth Supplemental Indenture, dated September 20, 2010, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2018 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed September 23, 2010)
4.5	Form of 5.75% Senior Notes due 2018 (included within Exhibit 4.4)
4.6	Fifth Supplemental Indenture, dated March 1, 2011, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2021(incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed March 3, 2011)
4.7	Form of 5.625% Senior Notes due 2021 (included within Exhibit 4.6)
4.8	Sixth Supplemental Indenture, dated March 7, 2012, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2017 and 2022 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed March 7, 2012)
4.9	Form of 4.25% Senior Notes due 2022 (included within Exhibit 4.8)
4.10	Seventh Supplemental Indenture, dated March 15, 2012, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2017 and 2022 (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed March 15, 2012)
4.11	Form of 4.25% Senior Notes due 2022 (included within Exhibit 4.10)
4.12	Eighth Supplemental Indenture, dated February 22, 2013, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2018 and 2023 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed February 22, 2013)
4.13	Form of 2.50% Senior Notes due 2018 (included within Exhibit 4.12)
4.14	Form of 3.90% Senior Notes due 2023 (included within Exhibit 4.12)
4.15	Ninth Supplemental Indenture, dated September 15, 2015, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2025 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed September 15, 2015)
4.16	Form of 5.100% Notes due 2025 (included within Exhibit 4.15)

4.17	Tenth Supplemental Indenture, dated March 21, 2017, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed March 21, 2017)
4.18	Form of 4.150% Senior Notes due 2024 (included within Exhibit 4.17)
4.19	Form of 4.500% Senior Notes due 2027 (included within Exhibit 4.17)
10.1	Credit Agreement, dated as of March 26, 2015, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Compass Bank, Credit Suisse AG, Cayman Islands Branch, Deutsche Bank AG, New York Branch, SunTrust Bank, The Bank of Nova Scotia, The Royal Bank of Scotland PLC, U.S. Bank National Association, Wells Fargo Bank, N.A., Barclays Bank PLC, Goldman Sachs Bank USA and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Co-Documentation Agents (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed April 28, 2015)
10.2*	Third Amendment, dated as of December 21, 2017, to the Credit Agreement, dated as of March 26, 2015, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Compass Bank, Credit Suisse AG, Cayman Islands Branch, Deutsche Bank AG, New York Branch, SunTrust Bank, The Bank of Nova Scotia, The Royal Bank of Scotland PLC, U.S. Bank National Association, Wells Fargo Bank, N.A., Barclays Bank PLC, Goldman Sachs Bank USA and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Co-Documentation Agents
10.3	Credit Agreement, dated as of March 24, 2016, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as Administrative Agent and Wells Fargo Bank, National Association and Bank of America, N.A., as Co-Syndication Agents (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed April 26, 2016)
10.4*	First Amendment, dated as of December 21, 2017, to the Credit Agreement, dated as of March 24, 2016, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as Administrative Agent and Wells Fargo Bank, National Association and Bank of America, N.A., as Co- Syndication Agents
10.5*	Credit Agreement, dated as of November 21, 2017, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent and Deutsche Bank Securities Inc., Goldman Sachs Bank USA, Wells Fargo Bank, N.A., Suntrust Bank, The Bank Of Nova Scotia, U.S. Bank National Association, Barclays Bank PLC and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Co-Documentation Agents
10.6	Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 99.1 to the Registrant's Form 8-K filed October 5, 2010)
10.7	First Amendment, dated as of June 28, 2011, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed August 1, 2011)
10.8	Third Amendment, dated as of August 30, 2012, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 24, 2012)
10.9	Fourth Amendment, dated as of August 29, 2013, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 23, 2013)
10.10	Fifth Amendment, dated as of August 28, 2014, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 24, 2014)

10.11	Sixth Amendment, dated as of August 27, 2015, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed October 27, 2015)
10.12	Seventh Amendment, dated as of August 23, 2016, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 26, 2016)
10.13*	Indenture and Servicing Agreement, dated as of October 5, 2017, by and among Sierra Timeshare Conduit Receivables Funding III, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent
10.14	Employment Agreement with Stephen P. Holmes, dated as of July 31, 2006 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-12B/A filed July 7, 2006)
10.15	Amendment No. 1 to Employment Agreement with Stephen P. Holmes, dated December 31, 2008 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-K filed February 27, 2009)
10.16	Amendment No. 2 to Employment Agreement with Stephen P. Holmes, dated as of November 19, 2009 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-K filed February 19, 2010)
10.17	Amendment No. 3 to Employment Agreement with Stephen P. Holmes, dated December 31, 2012 (incorporated by reference to Exhibit 10.8 to the Registrant's Form 10-K filed February 15, 2013)
10.18	Amendment No. 4 to Employment Agreement with Stephen P. Holmes, dated May 16, 2013 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed July 24, 2013)
10.19	Amendment No. 5 to Employment Agreement with Stephen P. Holmes, dated May 14, 2015 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed July 28, 2015)
10.20	Amendment No. 6 to Employment Agreement with Stephen P. Holmes, dated July 31, 2017 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 25, 2017)
10.21	Employment Agreement with Geoffrey A. Ballotti, dated as of March 31, 2008 (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-K filed February 27, 2009)
10.22	Amendment No. 1 to Employment Agreement with Geoffrey A. Ballotti, dated December 31, 2008 (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-K filed February 27, 2009)
10.23	Amendment No. 2 to Employment Agreement with Geoffrey A. Ballotti, dated December 16, 2009 (incorporated by reference to Exhibit 10.7 to the Registrant's Form 10-K filed February 19, 2010)
10.24	Amendment No. 3 to Employment Agreement with Geoffrey A. Ballotti, dated March 1, 2011 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q filed April 29, 2011)
10.25	Amendment No. 4 to Employment Agreement with Geoffrey A. Ballotti, dated March 28, 2014 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed April 24, 2014)
10.26	Amendment No. 5 to Employment Agreement with Geoffrey A. Ballotti, dated February 15, 2017 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed April 26, 2017)
10.27	Employment Agreement with Gail Mandel, dated as of November 13, 2014 (incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-K filed February 13, 2015)
10.28	Amendment No. 1 to Employment Agreement with Gail Mandel, dated August 2, 2017 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q filed October 25, 2017)
10.29*	Employment Agreement with Michael Brown, dated as of April 17, 2017
10.30	Employment Agreement with David B. Wyshner, dated as of August 1, 2017 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed October 25, 2017)
10.31	Employment Agreement with Thomas G. Conforti, dated as of September 8, 2009 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed November 5, 2009)
10.32	Amendment No. 1 to Employment Letter Agreement with Thomas G. Conforti, dated May 11, 2012 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed July 25, 2012).
10.33	Amendment No. 2 to Employment Agreement with Thomas G. Conforti, dated August 13, 2015 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 27, 2015)

10.34	Employment Letter Agreement with Thomas Anderson, dated March 24, 2008 (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-K filed February 27, 2009)
10.35	Addendum No. 1 to Employment Letter Agreement with Thomas F. Anderson, dated December 31, 2008 (incorporated by reference to Exhibit 10.10 to the Registrant's Form 10-K filed February 27, 2009)
10.36	Addendum No. 2 to Employment Letter Agreement with Thomas F. Anderson, dated March 23, 2009 (incorporated by reference to Exhibit 10.27 to the Registrant's Form 10-K filed February 13, 2015)
10.37	Addendum No. 3 to Employment Letter Agreement with Thomas F. Anderson, dated December 16, 2009 (incorporated by reference to Exhibit 10.28 to the Registrant's Form 10-K filed February 13, 2015)
10.38	Addendum No. 4 to Employment Letter Agreement with Thomas F. Anderson, dated November 8, 2012 (incorporated by reference to Exhibit 10.29 to the Registrant's Form 10-K filed February 13, 2015)
10.39	Termination and Release Agreement with Thomas Anderson, executed April 28, 2017 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed August 3, 2017)
10.40	Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (Amended and Restated as of February 27, 2014) (incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A filed on April 4, 2014)
10.41	Amendment No. 1 to Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, effective August 2, 2017 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q filed October 25, 2017)
10.42	Form of Award Agreement for Restricted Stock Units (incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-K filed February 17, 2012)
10.43	Form of Award Agreement for Stock Appreciation Rights (incorporated by reference to Exhibit 10.18 to the Registrant's Form 10-K filed February 17, 2012)
10.44	Wyndham Worldwide Corporation Savings Restoration Plan (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K filed July 19, 2006)
10.45	Amendment Number One to Wyndham Worldwide Corporation Savings Restoration Plan, dated December 31, 2008 (incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-K filed February 27, 2009)
10.46	Wyndham Worldwide Corporation Non-Employee Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K filed July 19, 2006)
10.47	First Amendment to Wyndham Worldwide Corporation Non-Employee Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10.48 to the Registrant's Form 10-K filed March 7, 2007)
10.48	Amendment Number Two to the Wyndham Worldwide Corporation Non-Employee Directors Deferred Compensation Plan, dated December 31, 2008 (incorporated by reference to Exhibit 10.20 to the Registrant's Form 10-K filed February 27, 2009)
10.49	Wyndham Worldwide Corporation Officer Deferred Compensation Plan (incorporated by reference to Exhibit 10.8 to the Registrant's Form 8-K filed July 19, 2006)
10.50	Amendment Number One to Wyndham Worldwide Corporation Officer Deferred Compensation Plan, dated December 31, 2008 (incorporated by reference to Exhibit 10.22 to the Registrant's Form 10-K filed February 27, 2009)
10.51	Amendment No. 2 to Wyndham Worldwide Corporation Officer Deferred Compensation Plan, dated December 31, 2012 (incorporated by reference to Exhibit 10.32 to the Registrant's Form 10-K filed February 15, 2013)
10.52	Transition Services Agreement among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 27, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed July 31, 2006)
10.53	Tax Sharing Agreement among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 28, 2006 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed July 31, 2006)
10.54	Amendment, executed July 8, 2008 and effective as of July 28, 2006 to Tax Sharing Agreement, entered into as of July 28, 2006, by and among Avis Budget Group, Inc., Realogy Corporation and Wyndham Worldwide Corporation (incorporated by Reference to Exhibit 10.1 to the Registrant's Form 10-Q filed August 8, 2008)
10.55	Agreement, dated as of July 15, 2010, between Wyndham Worldwide Corporation and Realogy Corporation clarifying Tax Sharing Agreement, dated as of July 28, 2006, among Realogy Corporation, Cendant Corporation, Wyndham Worldwide Corporation and Travelport, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed July 21, 2010)

12*	Computation of Ratio of Earnings to Fixed Charges
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Independent Registered Public Accounting Firm
31.1*	Certification of Chairman and Chief Executive Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934
32**	Certification of Chairman and Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with this report
** Furnished with this report

Exhibit 10.2

THIRD AMENDMENT TO CREDIT AGREEMENT

THIRD AMENDMENT, dated as of December 21, 2017 (this "Agreement"), to the Credit Agreement, dated as of March 26, 2015, among WYNDHAM WORLDWIDE CORPORATION (the "Borrower"), the several lenders and letter of credit issuers from time to time party thereto (collectively, the "Lenders"), BANK OF AMERICA, N.A., as Administrative Agent, and the other parties thereto (as heretofore and as may hereafter be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

WHEREAS, the Borrower has requested that the Required Lenders consent to the amendments of the Credit Agreement set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in reliance on the representations, warranties and covenants herein contained, the parties hereto agree as follows:

SECTION 1. **Amendments to Credit Agreement**. Subject to all of the terms and conditions set forth in this Agreement and the Credit Agreement:

1.1 **Definition of Consolidated EBITDA**. The definition of "Consolidated EBITDA" contained in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:

> "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) payments in an aggregate amount not to exceed$35,000,000 during any Rolling Period that arise out of or in connection with the Cendant Spin-Off including those made in respect of legacy Cendant expense reimbursement obligations, (vii) cash restructuring charges in an aggregate amount not to exceed $35,000,000 after the Closing Date during any Rolling Period taken in connection with publicly announced business and operation restructurings, provided that any such restructuring charges taken in any fiscal quarter shall, for purposes of calculating Consolidated EBITDA, be deemed to be taken 25% in such fiscal quarter and 25% in each of the following three fiscal quarters, (viii) other non-cash items reducing Consolidated Net Income, and (ix) fees, expenses and charges incurred in connection with the Hotels Spin-Off through December 31, 2018 in an aggregate amount not to exceed $200,000,000 minus (plus) (x) any non-recurring gains (losses) on business exit activities outside the ordinary course of business if such gains (losses) are included in Consolidated Net Income) minus (xi) 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 Cendant 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 (xi) 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 $100,000,000 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.

1.2 Definition of Consolidated Net Income. The definition of "Consolidated Net Income" contained in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"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 Cendant Spin-Off).

1.3 Definition of Consolidated Total Indebtedness. The definition of "Consolidated Total Indebtedness" contained in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"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 (1) Guaranty Obligations and contingent liabilities incurred or assumed in connection with the Cendant Spin-Off (including those determined in accordance with FIN 45 and SFAS), (2) Securitization Indebtedness, (3) the aggregate undrawn amount of outstanding Letters of Credit, (4) Non-Recourse Indebtedness, or (5) 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.

1.4 New Definition of Cendant Spin-Off. Section 1.01 of the Credit Agreement is hereby amended by inserting the following definition of "Cendant Spin-Off" in the appropriate alphabetical order:

"Cendant 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.

1.5 New Definition of Hotels Spin-Off. Section 1.01 of the Credit Agreement is hereby amended by inserting the following definition of "Hotels Spin-Off" in the appropriate alphabetical order:

"Hotels Spin-Off" means the spin-off by the Borrower of Wyndham Hotels & Resorts, Inc.

1.6 Deletion of Definition of Spin-Off. Section 1.01 of the Credit Agreement is hereby amended by deleting the definition of "Spin-Off" contained therein.

SECTION 2. Conditions to Effectiveness. This Agreement shall become effective upon the date on which the Administrative Agent shall have received counterparts of this Agreement duly executed and delivered by each of the Borrower, the Administrative Agent and the Required Lenders. The parties hereto agree that upon effectiveness this Agreement shall constitute a Fundamental Document.

SECTION 3. Representations and Warranties. The Borrower reaffirms and restates the representations and warranties made by it in the Credit Agreement (other than in Section 3.5 thereof), in each case, after giving effect to the amendments to the Credit Agreement contemplated hereby, and all such representations and warranties are true and correct in all material respects on the date of this Agreement with the same force and effect as if made on such date (except to the extent (i) such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date, and (ii) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects after giving effect to such qualification). The Borrower additionally represents and warrants (which representations and

warranties shall survive the execution and delivery hereof) that no Default or Event of Default has occurred and is continuing.

SECTION 4. **Costs and Expenses**. The Borrower acknowledges and agrees that its payment obligations set forth in Section 10.04 of the Credit Agreement include the out-of-pocket costs and expenses incurred by the Administrative Agent in connection with the preparation, execution and delivery of this Agreement and any other documentation contemplated hereby (whether or not this Agreement becomes effective or the transactions contemplated hereby are consummated and whether or not a Default or Event of Default has occurred or is continuing), including, but not limited to, the reasonable fees and disbursements of Arnold & Porter Kaye Scholer LLP, counsel to the Administrative Agent.

SECTION 5. **Ratification**. The Credit Agreement, as amended by this Agreement, and the other Fundamental Documents remain in full force and effect and are hereby ratified and affirmed. This Agreement shall be limited precisely as written and, except as expressly provided herein, shall not be deemed (i) to be a consent granted pursuant to, or a waiver, modification or forbearance of, any term or condition of the Credit Agreement, any other Fundamental Document or any of the instruments or agreements referred to in any thereof or a waiver of any Default or Event of Default, whether or not known to the Administrative Agent or any of the Lenders, or (ii) to prejudice any right or remedy which the Administrative Agent or any of the Lenders may now have or have in the future against any Person under or in connection with the Credit Agreement, any of the instruments or agreements referred to therein or any of the transactions contemplated thereby.

SECTION 6. **Modifications**. Neither this Agreement, nor any provision hereof, may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the parties hereto.

SECTION 7. **References**. Each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof,” “herein,” or words of like import, and each reference in each other Fundamental Document (and the other documents and instruments delivered pursuant to or in connection therewith) to the “Credit Agreement”, “thereunder”, “thereof” or words of like import, shall mean and be a reference to the Credit Agreement as modified hereby and as each may in the future be amended, restated, supplemented or modified from time to time.

SECTION 8. **Counterparts**. This Agreement may be executed by the parties hereto individually or in combination, in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page by telecopier or electronic mail (in a .pdf format) shall be effective as delivery of a manually executed counterpart.

SECTION 9. **Successors and Assigns**. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 10. **Severability**. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or enforceability without in any manner affecting the validity or enforceability of such provision in any other jurisdiction or the remaining provisions of this Agreement in any jurisdiction.

SECTION 11. **Governing Law**. THIS AGREEMENT HAS 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 12. **Headings**. Section headings in this Agreement are included for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

[The remainder of this page left blank intentionally]

IN WITNESS WHEREOF, the Borrower, the Administrative Agent and the Lenders party hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

WYNDHAM WORLDWIDE CORPORATION,
as Borrower

By: /s/ Jeffrey R. Leuenberger
Name: Jeffrey R. Leuenberger
Title: Senior Vice President and Treasurer

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Maurice E. Washington
Name: Maurice E. Washington
Title: Vice President

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Suzanne E. Pickett
Name: Suzanne E. Pickett
Title: Vice President

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Nadeige Dang
Name: Nadeige Dang
Title: Vice President

DEUTSCHE BANK AG, NEW YORK,
as a Lender

By: /s/ Joanna Soliman
Name: Joanna Soliman
Title: Vice President

By: /s/ James Rolison
Name: James Rolison
Title: Managing Director

SUNTRUST BANK, as a Lender

By: /s/ Christian Sumulong
Name: Christian Sumulong
Title: Vice President

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ Michael Grad
Name: Michael Grad
Title: Director

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Steven L Sawyer
Name: Steven L. Sawyer
Title: Senior Vice President

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. - NEW YORK BRANCH,
as a Lender

By: /s/ Lawrence Elkins
Name: Lawrence Elkins
Title: Vice President

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Chris Lam
Name: Chris Lam
Title: Authorized Signatory

WELLS FARGO BANK, N.A., as a Lender

By: /s/ James Travagline
Name: James Travagline
Title: Managing Director

BARCLAYS BANK PLC, as a Lender

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED,
as a Lender

By: /s/ Robert Grillo
Name: Robert Grillo
Title: Director

BANK OF HAWAII, as a Lender

By: /s/ Roderick Peroff
Name: Roderick Peroff
Title: Vice President

BRANCH BANKING AND TRUST COMPANY, as a Lender

By: /s/ Sharona Yen
Name: Sharona Yen
Title: Banking Officer

COMERICA BANK, as a Lender

By: /s/ Timothy O'Rourke
Name: Timothy O'Rourke
Title: Vice President

COMPASS BANK, as a Lender

By: /s/ Brian Tuerff
Name: Brian Tuerff
Title: Senior Vice President

COOPERATIEVE RABOBANK U.A.,
as a Lender

By: /s/ Martha S. Jiminez
Name: Martha S. Jiminez
Title: Executive Director

By: /s/ G.C. Kortlandt
Name: G.C. Kortlandt
Title: Managing Director

DANSKE BANK A/S, as a Lender

By: /s/ Merete Ryvald-Christensen
Name: Merete Ryvald-Christensen
Title: Chief Loan Manager

By: /s/ Gert Carstens
Name: Gert Carstens
Title: Senior Loan Manager

INTESA SANPAOLA S.P.A., as a Lender

By: /s/ Jennifer Feldman Facciola
Name: Jennifer Feldman Facciola
Title: Vice President

By: /s/ Maddalena Revelli
Name: Maddalena Revelli
Title: Assistant Vice President

NATIONAL AUSTRALIA BANK LIMITED (NEW YORK), as a Lender

By: /s/ Michael Peterson
Name: Michael Peterson
Title: Associate Director

Exhibit 10.4

FIRST AMENDMENT TO CREDIT AGREEMENT

FIRST AMENDMENT, dated as of December 21, 2017 (this "Agreement"), to the Credit Agreement, dated as of March 24, 2016, among WYNDHAM WORLDWIDE CORPORATION (the "Borrower"), the several lenders from time to time party thereto (collectively, the "Lenders"), JPMORGAN CHASE BANK, N.A., as Administrative Agent, and the other parties thereto (as heretofore and as may hereafter be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

WHEREAS, the Borrower has requested that the Required Lenders consent to the amendments of the Credit Agreement set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in reliance on the representations, warranties and covenants herein contained, the parties hereto agree as follows:

SECTION 1. **Amendments to Credit Agreement**. Subject to all of the terms and conditions set forth in this Agreement and the Credit Agreement:

1.1 **Definition of Consolidated EBITDA**. The definition of "Consolidated EBITDA" contained in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"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) payments in an aggregate amount not to exceed$35,000,000 during any Rolling Period that arise out of or in connection with the Cendant Spin-Off including those made in respect of legacy Cendant expense reimbursement obligations, (vii) cash restructuring charges in an aggregate amount not to exceed $35,000,000 after the Closing Date during any Rolling Period taken in connection with publicly announced business and operation restructurings, provided that any such restructuring charges taken in any fiscal quarter shall, for purposes of calculating Consolidated EBITDA, be deemed to be taken 25% in such fiscal quarter and 25% in each of the following three fiscal quarters, (viii) other non-cash items reducing Consolidated Net Income, and (ix) fees, expenses and charges incurred in connection with the Hotels Spin-Off through December 31, 2018 in an aggregate amount not to exceed $200,000,000 minus (plus) (x) any non-recurring gains (losses) on business exit activities outside the ordinary course of business if such gains (losses) are included in Consolidated Net Income) minus (xi) 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 Cendant 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 (xi) 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 $100,000,000 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.

1.2 Definition of Consolidated Net Income. The definition of "Consolidated Net Income" contained in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"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 Cendant Spin-Off).

1.3 Definition of Consolidated Total Indebtedness. The definition of "Consolidated Total Indebtedness" contained in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"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 (1) Guaranty Obligations and contingent liabilities incurred or assumed in connection with the Cendant Spin-Off (including those determined in accordance with FIN 45 and SFAS), (2) Securitization Indebtedness, (3) the aggregate undrawn amount of outstanding Letters of Credit, (4) Non-Recourse Indebtedness, or (5) 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.

1.4 New Definition of Cendant Spin-Off. Section 1.01 of the Credit Agreement is hereby amended by inserting the following definition of "Cendant Spin-Off" in the appropriate alphabetical order:

"Cendant 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.

1.5 New Definition of Hotels Spin-Off. Section 1.01 of the Credit Agreement is hereby amended by inserting the following definition of "Hotels Spin-Off" in the appropriate alphabetical order:

"Hotels Spin-Off" means the spin-off by the Borrower of Wyndham Hotels & Resorts, Inc.

1.6 Deletion of Definition of Spin-Off. Section 1.01 of the Credit Agreement is hereby amended by deleting the definition of "Spin-Off" contained therein.

SECTION 2. Conditions to Effectiveness. This Agreement shall become effective upon the date on which the Administrative Agent shall have received counterparts of this Agreement duly executed and delivered by each of the Borrower, the Administrative Agent and the Required Lenders. The parties hereto agree that upon effectiveness this Agreement shall constitute a Fundamental Document.

SECTION 3. Representations and Warranties. The Borrower reaffirms and restates the representations and warranties made by it in the Credit Agreement (other than in Section 3.5 thereof), in each case, after giving effect to the amendments to

the Credit Agreement contemplated hereby, and all such representations and warranties are true and correct in all material respects on the date of this Agreement with the same force and effect as if made on such date (except to the extent (i) such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date, and (ii) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects after giving effect to such qualification). The Borrower additionally represents and warrants (which representations and warranties shall survive the execution and delivery hereof) that no Default or Event of Default has occurred and is continuing.

SECTION 4. **Costs and Expenses**. The Borrower acknowledges and agrees that its payment obligations set forth in Section 10.04 of the Credit Agreement include the out-of-pocket costs and expenses incurred by the Administrative Agent in connection with the preparation, execution and delivery of this Agreement and any other documentation contemplated hereby (whether or not this Agreement becomes effective or the transactions contemplated hereby are consummated and whether or not a Default or Event of Default has occurred or is continuing), including, but not limited to, the reasonable fees and disbursements of Arnold & Porter Kaye Scholer LLP, counsel to the Administrative Agent.

SECTION 5. **Ratification**. The Credit Agreement, as amended by this Agreement, and the other Fundamental Documents remain in full force and effect and are hereby ratified and affirmed. This Agreement shall be limited precisely as written and, except as expressly provided herein, shall not be deemed (i) to be a consent granted pursuant to, or a waiver, modification or forbearance of, any term or condition of the Credit Agreement, any other Fundamental Document or any of the instruments or agreements referred to in any thereof or a waiver of any Default or Event of Default, whether or not known to the Administrative Agent or any of the Lenders, or (ii) to prejudice any right or remedy which the Administrative Agent or any of the Lenders may now have or have in the future against any Person under or in connection with the Credit Agreement, any of the instruments or agreements referred to therein or any of the transactions contemplated thereby.

SECTION 6. **Modifications**. Neither this Agreement, nor any provision hereof, may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the parties hereto.

SECTION 7. **References**. Each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference in each other Fundamental Document (and the other documents and instruments delivered pursuant to or in connection therewith) to the "Credit Agreement", "thereunder", "thereof" or words of like import, shall mean and be a reference to the Credit Agreement as modified hereby and as each may in the future be amended, restated, supplemented or modified from time to time.

SECTION 8. Counterparts. This Agreement may be executed by the parties hereto individually or in combination, in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page by telecopier or electronic mail (in a .pdf format) shall be effective as delivery of a manually executed counterpart.

SECTION 9. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 10. Severability. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or enforceability without in any manner affecting the validity or enforceability of such provision in any other jurisdiction or the remaining provisions of this Agreement in any jurisdiction.

SECTION 11. Governing Law. THIS AGREEMENT HAS 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 12. Headings. Section headings in this Agreement are included for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

[The remainder of this page left blank intentionally]

IN WITNESS WHEREOF, the Borrower, the Administrative Agent and the Lenders party hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

WYNDHAM WORLDWIDE CORPORATION,
as Borrower

By: /s/ Jeffrey R. Leuenberger
Name: Jeffrey R. Leuenberger
Title: Senior Vice President and Treasurer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: /s/ Nadeige Dang
Name: Nadeige Dang
Title: Vice President

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Nadeige Dang
Name: Nadeige Dang
Title: Vice President

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Suzanne E. Pickett
Name: Suzanne E. Pickett
Title: Vice President

SUNTRUST BANK, as a Lender

By: /s/ Christian Sumulong
Name: Christian Sumulong
Title: Vice President

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ Michael Grad
Name: Michael Grad
Title: Director

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Steven L Sawyer
Name: Steven L. Sawyer
Title: Senior Vice President

WELLS FARGO BANK, N.A., as a Lender

By: /s/ James Travagline
Name: James Travagline
Title: Managing Director

AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED,
as a Lender

By: /s/ Robert Grillo
Name: Robert Grillo
Title: Director

BRANCH BANKING AND TRUST COMPANY, as a Lender

By: /s/ Sharona Yen
Name: Sharona Yen
Title: Banking Officer

BANK OF HAWAII, as a Lender

By: /s/ Roderick Peroff
Name: Roderick Peroff
Title: Vice President

COMERICA BANK, as a Lender

By: /s/ Timothy O'Rourke
Name: Timothy O'Rourke
Title: Vice President

COMPASS BANK, as a Lender

By: /s/ Brian Tuerff
Name: Brian Tuerff
Title: Senior Vice President

Exhibit 10.5

—

Published CUSIP Number: 98310TAP0 Deal
Published CUSIP Number: 98310TAQ8 Facility

$400,000,000

CREDIT AGREEMENT

Dated as of November 21, 2017

among

WYNDHAM WORLDWIDE CORPORATION,
as Borrower
THE LENDERS REFERRED TO HEREIN,

BANK OF AMERICA, N.A.,
as Administrative Agent,
JPMORGAN CHASE BANK, N.A.,
as Syndication Agent,

DEUTSCHE BANK SECURITIES INC., GOLDMAN SACHS BANK USA,
WELLS FARGO BANK, N.A., SUNTRUST BANK,
THE BANK OF NOVA SCOTIA, U.S. BANK NATIONAL ASSOCIATION,
BARCLAYS BANK PLC and THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as Co-Documentation Agents

—

JPMORGAN CHASE BANK, N.A. and
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Joint Bookrunners

JPMORGAN CHASE BANK, N.A.,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
DEUTSCHE BANK SECURITIES INC., GOLDMAN SACHS BANK USA,
WELLS FARGO SECURITIES, LLC, SUNTRUST ROBINSON HUMPHREY, INC.,
THE BANK OF NOVA SCOTIA, U.S. BANK NATIONAL ASSOCIATION,
BARCLAYS BANK PLC and THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as Joint Lead Arrangers

TABLE OF CONTENTS

Page

1. DEFINITIONS 1

2. THE LOANS 18

SECTION 2.1. Revolving Commitments 18
SECTION 2.2. Loans 18
SECTION 2.3. Borrowing Procedure 19
SECTION 2.4. Use of Proceeds 19
SECTION 2.5. [Intentionally Omitted] 20
SECTION 2.6. [Intentionally Omitted] 20
SECTION 2.7. [Intentionally Omitted] 20
SECTION 2.8. Refinancings 20
SECTION 2.9. Fees 20
SECTION 2.10. Repayment of Loans; Evidence of Debt 21
SECTION 2.11. Interest on Loans 21
SECTION 2.12. Interest on Overdue Amounts 22
SECTION 2.13. Alternate Rate of Interest 22
SECTION 2.14. Termination, Reduction and Increase of Revolving Commitments 23
SECTION 2.15. Prepayment of Loans 24
SECTION 2.16. Eurocurrency Reserve Costs 25
SECTION 2.17. Reserve Requirements; Change in Circumstances 25
SECTION 2.18. Change in Legality 27
SECTION 2.19. Reimbursement of Lenders 28
SECTION 2.20. Pro Rata Treatment 29
SECTION 2.21. Right of Setoff 29
SECTION 2.22. Manner of Payments 29
SECTION 2.23. Taxes 30
SECTION 2.24. Certain Pricing Adjustments 33
SECTION 2.25. [Intentionally Omitted] 34
SECTION 2.26. [Intentionally Omitted] 34
SECTION 2.27. [Intentionally Omitted] 34
SECTION 2.28. [Intentionally Omitted] 34
SECTION 2.29. Extension of Maturity Date 34
SECTION 2.30. [Intentionally Omitted] 35
SECTION 2.31. Defaulting Lenders 35

3. REPRESENTATIONS AND WARRANTIES OF BORROWER 36

SECTION 3.1. Corporate Existence and Power 37
SECTION 3.2. Corporate Authority, No Violation and Compliance with Law 37
SECTION 3.3. Governmental and Other Approval and Consents 37
SECTION 3.4. Financial Statements of Borrower 37
SECTION 3.5. No Change 38
SECTION 3.6. Copyrights, Patents and Other Rights 38
SECTION 3.7. Title to Properties 38

SECTION 3.8. Litigation 38
SECTION 3.9. Federal Reserve Regulations 38
SECTION 3.10. Investment Company Act 38
SECTION 3.11. Enforceability 39
SECTION 3.12. Taxes 39
SECTION 3.13. Compliance with ERISA 39
SECTION 3.14. Disclosure 39
SECTION 3.15. Environmental Liabilities 40
SECTION 3.16. Material Subsidiaries 40
SECTION 3.17. OFAC 40
SECTION 3.18. FCPA 40
SECTION 3.19. EEA Financial Institution 40

4. CONDITIONS OF LENDING 41

SECTION 4.1. Conditions Precedent to Closing 41
SECTION 4.2. Conditions Precedent to Each Extension of Credit 42

5. AFFIRMATIVE COVENANTS 43

SECTION 5.1. Financial Statements, Reports, etc. 43
SECTION 5.2. Corporate Existence; Compliance with Statutes 45
SECTION 5.3. Insurance 45
SECTION 5.4. Taxes and Charges 45
SECTION 5.5. ERISA Compliance and Reports 46
SECTION 5.6. Maintenance of and Access to Books and Records; Examinations 46
SECTION 5.7. Maintenance of Properties 46
SECTION 5.8. Changes in Character of Business 46
SECTION 5.9. FCPA; Sanctions 46

6. NEGATIVE COVENANTS 47

SECTION 6.1. Limitation on Indebtedness 47
SECTION 6.2. Consolidation, Merger, Sale of Assets 48
SECTION 6.3. Limitations on Liens 49
SECTION 6.4. [Intentionally Omitted] 50
SECTION 6.5. Consolidated Leverage Ratio 50
SECTION 6.6. Consolidated Interest Coverage Ratio 50
SECTION 6.7. Accounting Practices 50
SECTION 6.8. FCPA 50

7. EVENTS OF DEFAULT 50

8. THE ADMINISTRATIVE AGENT 52

SECTION 8.1. Administration by Administrative Agent 52
SECTION 8.2. Advances and Payments 53
SECTION 8.3. Sharing of Setoffs 54
SECTION 8.4. Notice to the Lenders 54
SECTION 8.5. Liability of Administrative Agent 54

SECTION 8.6. Reimbursement and Indemnification 55
SECTION 8.7. Rights of Administrative Agent 55
SECTION 8.8. Independent Investigation by Lenders 55
SECTION 8.9. Notice of Transfer 56
SECTION 8.10. Successor Administrative Agent 56
SECTION 8.11. [Intentionally Omitted]. 57
SECTION 8.12. Agents Generally 57

9. [INTENTIONALLY OMITTED] 57

10. MISCELLANEOUS 57

SECTION 10.1. Notices 57
SECTION 10.2. Survival of Agreement, Representations and Warranties, etc. 58
SECTION 10.3. Successors and Assigns; Syndications; Loan Sales; Participations 59
SECTION 10.4. Expenses 62
SECTION 10.5. Indemnity 62
SECTION 10.6. CHOICE OF LAW 63
SECTION 10.7. No Waiver 63
SECTION 10.8. Extension of Payment Dates 63
SECTION 10.9. Amendments, etc. 63
SECTION 10.10. Severability 64
SECTION 10.11. SERVICE OF PROCESS; WAIVER OF JURY TRIAL 64
SECTION 10.12. Headings 65
SECTION 10.13. Execution in Counterparts 66
SECTION 10.14. Entire Agreement 66
SECTION 10.15. Confidentiality 66
SECTION 10.16. USA PATRIOT Act 67
SECTION 10.17. Replacement of Lenders 67
SECTION 10.18. No Advisory or Fiduciary Responsibility 68
SECTION 10.19. [Intentionally Omitted] 68
SECTION 10.20. Electronic Execution of Assignments and Certain Other Documents 68
SECTION 10.21. Acknowledgement and Consent to Bail-in of EEA Financial Institution. 68
SECTION 10.22. Lender Representations Regarding ERISA. 69

SCHEDULES

2.1 Commitments
3.16 Material Subsidiaries

EXHIBITS

A Form of Opinion of Kirkland & Ellis LLP
B Form of Assignment and Acceptance
C Form of Compliance Certificate
D Form of Borrowing Request
E Form of New Lender Supplement
F Form of Commitment Increase Supplement
G Form of Solvency Certificate
H Form of U.S. Tax Compliance Certificates

CREDIT AGREEMENT, dated as of November 21, 2017, among WYNDHAM WORLDWIDE CORPORATION, a Delaware corporation (the "Borrower"), the lenders party to this Agreement from time to time, JPMORGAN CHASE BANK, N.A., as syndication agent (the " Syndication Agent"), DEUTSCHE BANK SECURITIES INC., GOLDMAN SACHS BANK USA, WELLS FARGO BANK, N.A., SUNTRUST BANK, THE BANK OF NOVA SCOTIA, U.S. BANK NATIONAL ASSOCIATION, BARCLAYS BANK PLC and THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as co-documentation agents (the "Co-Documentation Agents"), and BANK OF AMERICA, N.A., as administrative agent (the " Administrative Agent"; together with the Syndication Agent, and the Co-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.

"Administrative Agent" is defined in the preamble and includes each other Person appointed as the successor Administrative Agent pursuant to Section 8.10.

"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.

"Agents" is defined in the preamble.

"Aggregate Exposure" shall mean, with respect to any Lender at any time, an amount equal to 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 Loans 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.

"Agreement" shall mean, on any date, this Credit Agreement as originally in effect on the Closing Date and as thereafter from time to time amended, supplemented, amended and restated or otherwise modified and in effect on such date.

"Alternate Base Rate" shall mean, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus ½ of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate" ("Prime Rate") and (c) LIBOR plus 1%. The Prime Rate is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any changes in such price announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. Notwithstanding anything to the contrary contained herein, at any time that the Alternate Base Rate determined in accordance with the foregoing is less than zero, such rate shall be deemed zero for purposes of this Agreement.

"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 substantially the form of Exhibit B hereto, executed by the assignor, assignee and the other parties as contemplated thereby or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.3), and accepted by the Administrative Agent.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank of America" shall mean Bank of America, N.A.

"Basis Point" shall mean 1/100th of 1%.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code that is subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of Section 3(42) of ERISA) the assets of any such "employee benefit plan" or "plan.

"Board" shall mean the Board of Governors of the Federal Reserve System.

"Bookrunners" shall mean, collectively, JPMorgan Chase Bank and MLPFS in their capacities as joint bookrunners.

"Borrower" is defined in the preamble.

"Borrower Materials" shall have the meaning assigned to such term in the last paragraph of Section 5.1.

"Borrowing" shall mean a group of Loans of a single Interest Rate Type made by the Lenders on a single date and as to which a single Interest Period is in effect.

"Borrowing Request" shall mean a request made pursuant to Section 2.3 substantially in the form of Exhibit D.

"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, and if such day relates to any interest rate settings as to a LIBOR Loan, any fundings, disbursements, settlements and payments in respect of any such LIBOR Loan, means any such day that is also a London Banking Day.

"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. Notwithstanding the foregoing, auction rate securities shall not constitute Cash Equivalents.

"Cendant" shall mean Cendant Corporation, a Delaware corporation.

"Cendant 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.

"Change in Control" shall mean (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 35% of the voting common stock of the Borrower on a fully diluted basis at any time or (ii) if at any time, individuals who on the Closing Date 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 on 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 the Borrower then in office.

“Closing Date” shall mean the date on which the conditions precedent set forth in Section 4.1 have been satisfied or waived.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Co-Documentation Agents” is defined in the preamble.

“Commitment Increase Notice” shall have the meaning assigned to such term in Section 2.14(d).

“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 Audited Financial Statements” shall have the meaning assigned to such term in Section 3.4.

“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) payments in an aggregate amount not to exceed$35,000,000 during any Rolling Period that arise out of or in connection with the Cendant Spin-Off including those made in respect of legacy Cendant expense reimbursement obligations, (vii) cash restructuring charges in an aggregate amount not to exceed $35,000,000 after the Closing Date during any Rolling Period taken in connection with publicly announced business and operation restructurings, provided that any such restructuring charges taken in any fiscal quarter shall, for purposes of calculating Consolidated EBITDA, be deemed to be taken 25% in such fiscal quarter and 25% in each of the following three fiscal quarters, (viii) other non-cash items reducing Consolidated Net Income, and (ix) fees, expenses and charges incurred in connection with the Hotels Spin-Off through December 31, 2018 in an aggregate amount not to exceed $200,000,000 minus (plus) (x) any non-recurring gains (losses) on business exit activities outside the ordinary course of business if such gains (losses) are included in Consolidated Net Income) minus (xi) 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 Cendant 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 (xi) 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 $100,000,000 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.

"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.

"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 or any Non-Recourse Indebtedness 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 Cendant 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 (1) Guaranty Obligations and contingent liabilities incurred or assumed in connection with the Cendant Spin-Off (including those determined in accordance with FIN 45 and SFAS), (2) Securitization Indebtedness, (3) the aggregate undrawn amount of outstanding Letters of Credit, (4) Non-Recourse Indebtedness, or (5) 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.

"Debtor Relief Law" shall mean the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"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, subject to Section 2.31, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the

enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.31(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower and each other Lender promptly following such determination.

"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 Closing Date, as applicable) or any successor form.

"Dollars" and "$" shall mean lawful money of the United States of America.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assignee" shall mean (i) any Lender, (ii) an Affiliate of any Lender and (iii) any other Person approved by the Administrative Agent and the Borrower (such approvals not to be unreasonably withheld or delayed); provided the consent of the Borrower shall not be required so long as an Event of Default has occurred and is continuing; provided further that "Eligible Assignee" shall not include (x) any natural person, or any Person that is a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person, (y) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (y), or (z) the Borrower or any of its Subsidiaries or controlled Affiliates.

"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 as in effect on the date hereof (other than an event for which the 30-day notice period is waived pursuant to regulations as in effect on the date hereof) with respect to a Plan; (b) the failure by any Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived; (c) a determination that any Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (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 "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"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, the Administrative Agent or any other recipient of payment to be made by or on account of any obligation of the Borrower hereunder or under any Fundamental Document, (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 jurisdiction described in clause (a) above, (c) any withholding tax that is imposed on amounts payable to such Lender, 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 2.23(a), (d) Taxes attributable to such Lender's failure to comply with Section 2.23(e), (e) any Taxes imposed as a result of such Lender's gross negligence or willful misconduct and (f) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Extension Notice" shall have the meaning given such term in Section 2.29(a) hereof

"Facility Fee" shall have the meaning given such term in Section 2.9(a) hereof.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Rate" shall mean, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

"Foreign Lender" means a Lender or Administrative Agent that is not a U.S. Person. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Fundamental Documents" shall mean this Agreement, 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. 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 upon written request of the Borrower or Administrative Agent, as applicable, 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. If an agreement to amend cannot be made after 45 days following delivery of such written request, 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 the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Granting Lender” shall have the meaning assigned to such term in Section 10.3(k).

“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 in calculating the amount of any Guaranty Obligation for any purpose under this Agreement, the amount of such 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.

"Hotels Spin-Off" means the spin-off by the Borrower of Wyndham Hotels & Resorts, Inc.

"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 (a) Taxes, other than Excluded Taxes and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Initial Maturity Date" means the 364th day following the Closing Date.

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

"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, 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 2.8; 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.

"Lender and "Lenders" shall mean each Lender that has a Revolving Commitment or that holds Loans, and includes any assignee of a Lender permitted pursuant to Section 10.3(b).

"Lending Office" shall mean, with respect to any of the Lenders, the domestic or foreign 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.

"LIBO Rate" shall have the meaning assigned to such term in the definition of LIBOR.

"LIBOR" shall mean:

(a) with respect to any LIBOR Loan, the rate per annum equal to (x) the London Interbank Offered Rate (the " LIBO Rate"), or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of the relevant Interest Period, for deposits in the relevant currency (for delivery on the first day of such Interest Period) with a term equivalent to the relevant Interest Period; and

(b) for any rate calculation with respect to an ABR Loan on any date, the rate per annum equal to the LIBO Rate, at or about 11:00 a.m., London time determined two (2) Business Days prior to such date for Dollar deposits with a term of one month commencing that day;

provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection with any rate set forth in this definition, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything to the contrary contained herein, at any time that LIBOR determined in accordance with the foregoing is less than zero, such rate shall be deemed zero for purposes of this Agreement.

"LIBOR Borrowing" shall mean a Borrowing comprised of LIBOR Loans.

"LIBOR Loan" shall mean a Loan bearing interest at a rate determined by reference to clause (a) of the definition of 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 2.24 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.

"Loans" shall have the meaning given such term in Section 2.1(a). Each Loan shall be a LIBOR Loan or an ABR Loan.

"London Banking Day" shall mean any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Margin Stock" shall be as defined in Regulation U of the Board.

"Material Acquisition" shall mean an acquisition (consummated in one transaction or a series of transactions) by the Borrower or a Consolidated Subsidiary of assets of, or constituting, a Person that is not an Affiliate of the Borrower (whether by purchase of such assets, purchase of Person(s) owning such assets or some combination thereof) with a minimum aggregate gross purchase price of $1,000,000,000.

"Material Adverse Effect" shall mean a material adverse effect on, or material adverse change in, the business, assets, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries, taken as a whole, other than any change, effect or circumstance to the extent resulting from disruptions in, or the inability of companies engaged in businesses similar to those engaged in by the Borrower and its Subsidiaries to consummate financings in, the asset backed securities or conduit market.

"Material Subsidiary" shall mean any Subsidiary (other than a Securitization Entity) of the Borrower which, together with its Subsidiaries (other than Securitization Entities) 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 November 20, 2018, as such date may be extended pursuant to Section 2.29.

"MLPFS" means Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation's or any of its subsidiaries' investment banking, commercial lending services or related businesses may be transferred following the Closing Date).

"Moody's" shall mean Moody's Investors Service, Inc. and any successor thereof.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"New Lender" shall have the meaning assigned to such term in Section 2.14(e).

"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.

"Obligations" shall mean the obligation of the Borrower to make due and punctual payment of principal of, and interest on, the Loans, the Facility Fee and all other monetary obligations of the Borrower to the Administrative Agent or any Lender under this Agreement or the Fundamental Documents.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Offered Increase Amount" shall have the meaning assigned to such term in Section 2.14(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 any Fundamental Document.

"Overnight Rate" means, for any day, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

"Participant" shall have the meaning assigned to such term in Section 10.3(g).

"Participant Register" shall have the meaning assigned to such term in Section 10.3(g).

"Participating Member State" shall mean a member of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"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.

"Platform" shall have the meaning assigned to such term in the last paragraph of Section 5.1.

"Prime Rate" shall have the meaning assigned to such term in the definition of " Alternate Base Rate".

"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.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Rate Determination Date" means two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Administrative Agent; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such other day as otherwise reasonably determined by the Administrative Agent).

"Register" shall have the meaning assigned to such term in Section 10.3(e).

"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.

"Responsible Officer" shall mean the chief executive officer, president, chief accounting officer, chief financial officer, treasurer or assistant treasurer of the Borrower and, solely for purposes of the delivery of the certificates pursuant to Section 4.1(d), the secretary or assistant secretary of the Borrower, and, solely for purposes of notices given pursuant to Section 2, any other officer of the Borrower so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the Borrower designated in or pursuant to an agreement between the Borrower and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

“Required Lenders” shall mean at any time, the holders of more than 50% of the Total Revolving Commitment then in effect or, if the Total Revolving Commitment has been terminated in its entirety, the aggregate unpaid principal amount of Loans, if any, then outstanding. The Revolving Commitment and Loans of any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Revolving Commitment” shall mean with respect to any Lender, the commitment of such Lender, if any, to make Loans 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 2.14 or Section 7. The Revolving Commitments of all Lenders shall automatically and permanently terminate on the earlier of (a) the Maturity Date or (b) the date of termination in whole pursuant to Section 2.14 or Section 7.

“Revolving Commitment Increase Lender” shall have the meaning assigned to such term in Section 2.14(h).

“Revolving Facility” shall mean the Revolving Commitments and the extensions of credit thereunder.

“Revolving Percentage” shall mean, as to any 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 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.

“Sanction(s)” means any international economic sanction administered or enforced by the United States Government, including without limitation, OFAC, the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority.

“S&P” shall mean Standard & Poor’s Financial Services LLC, a subsidiary of McGraw-Hill Financial, Inc. and any successor thereof.

“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 (i) Indebtedness incurred by a Securitization Entity that does not permit or provide for recourse for principal and interest (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) and (ii) Indebtedness incurred by the Borrower or a Material Subsidiary that does not permit or provide for recourse for principal and interest (other than Standard Securitization Undertakings) to the Borrower or any Subsidiary of the Borrower except for recourse to the specific assets securing such Indebtedness.

"Solvency Certificate" shall mean a Solvency Certificate of a Responsible Officer of the Borrower substantially in the form of Exhibit G.

"SPC" shall have the meaning assigned to such term in Section 10.3(k).

"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.

"Syndication Agent" is defined in the preamble.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Total Revolving Commitment" shall mean, at any time, the aggregate amount of the Lenders' Revolving Commitments as in effect at such time. As of the Closing Date, the Total Revolving Commitment is $400,000,000.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.23(e)(ii)(B)(III).

"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.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

2. THE LOANS

SECTION 2.1. Revolving Commitments.

(a) 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 revolving credit loans ("Loans") in Dollars to the 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 all Loans made by such Lender and then outstanding, subject however, to the conditions that (a) at no time shall (i) the aggregate amount of Loans made by all Lenders and then outstanding exceed (ii) the Total Revolving Commitment and (b) at all times the outstanding aggregate principal amount of all Loans made by each 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 Loans made pursuant to a notice given by the Borrower under Section 2.3. The Revolving Commitments of the Lenders may be terminated or reduced from time to time pursuant to Section 2.14 or Section 7.

(b) Within the foregoing limits, the Borrower may borrow, pay or repay and reborrow 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.

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 Revolving 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 (or, in the case of clause (i) and clause (ii) above with respect to Loans, if less, an aggregate principal amount equal to the remaining balance of the available Total Revolving Commitment). Loans shall be denominated only in Dollars.

(b) 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 Loans of any Lender 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 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 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 (3:00 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.

(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 deliver to the Administrative Agent a Borrowing notice in substantially the form of Exhibit D or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower (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 2:00 P.M., 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 notice, then the requested 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 shall be deemed to have selected an Interest Period of one month's duration. If the Borrower shall not have given notice 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, subject to Section 2.8, with a LIBOR Borrowing of one month's duration. 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. Use of Proceeds.

The proceeds of the Borrowings shall be used for working capital and general corporate purposes of the Borrower and its Subsidiaries. No part of the proceeds of any Borrowing 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. The Borrower shall not request any Borrowing, and the Borrower shall not use and its respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or other applicable anti-corruption laws, (b) for the purpose of directly or, to the Borrower's knowledge, indirectly funding, financing or facilitating any activities, business or transaction of or with any individual or entity that is, at the time of such funding, financing or facilitating, the subject or target of any Sanctions or is included on OFAC's List of Specially Designated nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or in any country, region or territory to the extent that such country, region or territory itself is then the subject of any Sanction, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto, except where such violation, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

SECTION 2.5. [Intentionally Omitted].

SECTION 2.6. [Intentionally Omitted].

SECTION 2.7. [Intentionally Omitted].

SECTION 2.8. Refinancings.

The Borrower may refinance all or any part of any Borrowing with a Borrowing of the same or a different Interest Rate Type made pursuant to a notice under Section 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, no Borrowing or portion thereof may be refinanced with a LIBOR Loan without the consent of the Required Lenders. Any Borrowing or part thereof refinanced under this Section 2.8 shall be deemed to be repaid in accordance with Section 2.10 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; 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 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, (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 2.8 and, to the extent of such failure, the Borrower shall pay such amount to the Administrative Agent as required by Section 2.12, and (d) to the extent the Borrower fails to pay to the Administrative Agent any amounts due in accordance with Section 2.12 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 2.9. Fees.

(a) The Borrower agrees to pay to each 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 December 31, 2017, and on the date on which the Revolving Commitment of such Lender shall be terminated as provided herein and the outstanding balance of all Loans made by such Lender's shall have been reduced to zero, a facility fee (a "Facility Fee"), at the rate per annum from time to time in effect in accordance with Section 2.24, 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 Lender shall commence to accrue on the Closing Date, shall be payable in arrears and shall cease to accrue on the earlier of the Maturity Date and the termination of the Revolving Commitment of such Lender as provided herein.

(b) 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.

(c) 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 2.10. Repayment of Loans; Evidence of Debt.

(a) 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 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 2.11.

(b) [Intentionally omitted]

(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 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. Upon the request of any Lender to the Borrower made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans to the Borrower in addition to such account or accounts.

(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 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 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 2.10 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 2.11. Interest on Loans.

(a) Subject to the provisions of Section 2.12, 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 2.12, 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) 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 2.24.

(c) [Intentionally omitted]

(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.

(e) The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "LIBOR" or with respect to any comparable or successor rate thereto (except such as shall result from the gross negligence or willful misconduct of the Administrative Agent as determined by a final and non-appealable judgment of a court of competent jurisdiction).

SECTION 2.12. 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 a judgment) at a rate 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 2.11 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 2.11 plus 2% per annum.

SECTION 2.13. Alternate Rate of Interest.

If in connection with any request for a LIBOR Loan or a conversion to or continuation thereof, (a) the Administrative Agent determines that (i) deposits in Dollars are not being offered to banks in the applicable offshore interbank market for Dollars for the applicable amount and Interest Period of such LIBOR Loan, or (ii) adequate and reasonable means do not exist for determining LIBOR for any requested Interest Period with respect to a proposed LIBOR Loan or in connection with an existing or proposed ABR Loan, or (b) the Required Lenders determine that for any reason LIBOR for any requested Interest Period with respect to a proposed LIBOR Loan does not adequately and fairly reflect the cost to such Lenders of funding such LIBOR Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain LIBOR Loans shall be suspended (to the extent of the affected LIBOR Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the LIBOR component of the Alternate Base Rate, the utilization of the LIBOR component in determining the Alternate Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of LIBOR Loans (to the extent of the affected LIBOR Loans or Interest Periods) or, failing that, will be deemed to have converted such request with respect to a Loan into a request for a Borrowing of ABR Loans in the amount specified therein. Notwithstanding the foregoing, in the case of a pending request for a LIBOR Loan as to which the Administrative Agent has made the determination described in clause (a) of the first sentence of this paragraph, the Administrative Agent, in consultation with the Borrower and the Lenders, may establish an alternative interest rate that reflects the all-in-cost of funds to the Administrative Agent for funding Loans in the applicable amount, and with the same Interest Period as the LIBOR Loan requested to be made, converted or continued, as the case may be (the "Impacted Loans"), in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (x) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a) of the first sentence of this paragraph, (y) the Required Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (z) any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge

interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

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 2.14. Termination, Reduction and Increase of Revolving Commitments.

(a) The Revolving Commitments of all of the Lenders shall be automatically terminated on the Maturity Date.

(b) Subject to Section 2.15(b), upon at least one Business Day of prior written 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 aggregate outstanding principal balance of the Loans. Each notice delivered by the Borrower pursuant to this Section 2.14(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) Except as otherwise set forth herein, 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 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) If the Total Revolving Commitment is less than $500,000,000 at any time and the Borrower wishes to increase the aggregate Revolving Commitments at such time, and no Default or Event of Default has occurred and is then continuing, the Borrower 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) 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; provided, that any Lender or bank, financial institution or other entity that is offered the opportunity to participate in all or any portion of the Offered Increase Amount shall be consented to in writing by the Administrative Agent to the extent the Administrative Agent would have a right under this Agreement to consent to an assignment of all or any portion of any Lender's Revolving Commitment or Loans to such Lender or bank, financial institution or other entity. Each Commitment Increase Notice shall specify which Lenders and/or banks, financial institutions or other entities the Borrower desires to participate in such Total Revolving 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 Eligible Assignee 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 2.14(d)(ii) shall execute a New Lender Supplement with the Borrower and the Administrative Agent, substantially in the form of Exhibit E, whereupon such bank, financial institution or other Person (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 Lender which accepts an offer to it by the Borrower to increase its Revolving Commitment pursuant to Section 2.14(d)(i) shall, in each case, execute a Commitment Increase Supplement with the Borrower and the Administrative Agent, substantially in the form of Exhibit F, 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 2.14, (i) in no event shall any transaction effected pursuant to this Section 2.14 cause the Total Revolving Commitment to exceed $500,000,000 and (ii) no Lender shall have any obligation to increase its Revolving Commitment unless it agrees to do so in its sole discretion.

(h) Upon each increase in the Revolving Credit Commitments pursuant to Section 2.14(d), each Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Lender providing a portion of the increase in the aggregate Revolving Commitments (each, a "Revolving Commitment Increase Lender") and, if on the date of such increase there are any Loans outstanding, such Loans shall on or prior to the effectiveness of such increase in the aggregate Revolving Commitments be prepaid from the proceeds of additional Loans made hereunder (reflecting such increase in Revolving Credit Commitments), which prepayment shall be accompanied by accrued interest on the Loans being prepaid and any costs incurred by any Lender in accordance with Section 2.19. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

SECTION 2.15. 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 2.19 but otherwise without premium or penalty, upon prior written notice to the Administrative Agent before 12:00 Noon, New York City, time at least one Business Day before such prepayment in the case of an ABR Loan and at least three Business Days before such prepayment 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) On any date when the aggregate outstanding principal amount of all Loans (after giving effect to any Borrowings effected on such date) exceeds the Total Revolving Commitment, the Borrower shall make a mandatory prepayment of the Loans in such amount as may be necessary so that the aggregate outstanding principal amount of all Loans 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 Loans.

(c) Each notice of prepayment pursuant to Section 2.15(a) must be in a form acceptable to the Administrative Agent and 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 2.15 shall be accompanied by accrued interest on the principal amount being prepaid, to the date of prepayment.

SECTION 2.16. 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 2.17. Reserve Requirements; Change in Circumstances.

(a) Except with respect to Indemnified Taxes and Other Taxes, which shall be governed solely and exclusively by Section 2.23, or Excluded Taxes if (i) after the Closing 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), (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act or the compliance with any requests, rules, guidelines or directives thereunder or issued in connection therewith, regardless of the date enacted, adopted or issued or (iii) the compliance with any requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, regardless of the date enacted, adopted or issued (x) 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 or participated in by, any Lender, (y) shall impose on any Lender or the London interbank market for Dollars any other condition, cost or expense affecting this Agreement or any LIBOR Loan made by such Lender or (z) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any LIBOR Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof, and the result of any of the foregoing shall be to increase the cost (other than, except as provided in clause (z), the amount of Taxes, if any) to such Lender of making, converting to, continuing or maintaining any LIBOR Loan (or of maintaining its obligation to make any such 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 2.23, or Excluded Taxes if (i) after the Closing Date, any Lender shall have determined in good faith that the adoption after the Closing Date of any applicable law, rule, regulation or guideline regarding capital adequacy or liquidity requirements, 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 or such Lender's holding company, if any) with any request or directive regarding capital adequacy or liquidity (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act or the compliance with any requests, rules, guidelines or directives thereunder or issued in connection therewith, regardless of the date enacted, adopted or issued or (iii) the compliance with any requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, regardless of the date enacted, adopted or issued, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of its obligations hereunder to a level below that which such Lender (or such Lender's holding company) could have achieved but for the items referenced in clauses (i)-(iii) of this sentence (taking into consideration such Lender's policies or the policies of such Lender's holding company, as the case may be, with respect to capital adequacy and liquidity) 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 2.17 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 may make any Loan to the Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of the Borrower to repay the Loan in accordance with the terms of this Agreement. 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 2.17, Section 2.18 or Section 2.23 or (ii) would require the Borrower to pay an increased amount under this Section 2.17, Section 2.18 or Section 2.23, 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 2.17, Section 2.18 or Section 2.23 would be materially reduced or the Taxes payable under Section 2.23, or other amounts otherwise payable under this Section 2.17 or Section 2.18 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. For the avoidance of doubt, nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.23. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(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 2.18, 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 2.16 or Section 2.23, the Borrower may (but subject in any such case to the payments required by Section 2.18), upon at least five Business Days' prior written 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 Revolving Commitment and the amount of outstanding Loans from the Lender providing such notice and such Lender shall thereupon assign its Revolving Commitment and any Loans owing to such Lender 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, accrued Facility 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 2.18. Change in Legality.

(a) Notwithstanding anything to the contrary herein contained, if, after the Closing 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, maintain or fund or charge interest with respect to any Loan or to give effect to its obligations as contemplated hereby, or to determine or charge interest rates based upon LIBOR, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, by written notice to the Borrower and to the Administrative Agent:

(i) (x) any obligation of such Lender to issue, make, maintain, fund or charge interest with respect to any such LIBOR Loan or to make or continue LIBOR Loans or to convert ABR Loans to LIBOR Loans, shall be suspended, whereupon the Borrower shall be prohibited from requesting LIBOR Loans from such Lender hereunder in such affected currency or currencies unless such notice is subsequently withdrawn and (y) if such notice asserts the illegality of such Lender making or maintaining ABR Loans the interest rate on which is determined by reference to the LIBOR component of the Alternate Base Rate, such Lender may request that the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the LIBOR component of the Alternate Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exists; and

(ii) (x) such Lender may demand the Borrower prepay or, if applicable, convert all LIBOR Loans of such Lender to ABR Loans (the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the LIBOR component of the Alternate Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBOR Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBOR Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon LIBOR, such Lender may request that the Administrative Agent, during the period of such suspension, compute the Alternate Base Rate applicable to such Lender without reference to the LIBOR component thereof until the Administrative Agent is advised in writing

by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon LIBOR.

(b) For purposes of this Section 2.18, a notice to the Borrower by any Lender pursuant to Section 2.18(a) shall be effective on the date of receipt thereof by the Borrower.

SECTION 2.19. Reimbursement of Lenders.

(a) The Borrower shall reimburse each Lender on demand (with a copy to the Administrative Agent) for any loss, cost or expense incurred or to be incurred by it in the reemployment of the funds released (i) by any payment or prepayment (for any reason, whether voluntary, mandatory, automatic, by reason of acceleration or otherwise, including an assignment by a Lender contemplated under Section 10.17), or conversion or continuation, 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, 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 2.18 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 2.11, 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 2.11, 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 (i) prepay any Loan on the date specified in any prepayment notice delivered pursuant to Section 2.15(a), or to convert or continue any Loan (other than an ABR Loan) other than on the date or in the amount notified by the Borrower in accordance with the terms of this Agreement, or (ii) make payment of any Loan (or interest due thereon) on its due date or any payment thereof in a currency other than Dollars, 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 or pay, including, without limitation, any loss, cost or expenses incurred by reason of the acquisition of deposits or other funds by, or from the performance of any foreign exchange contract by, such Lender to fulfill deposit obligations incurred in anticipation of such prepayment or payment. 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.

(c) For purposes of calculating amounts payable under this Section 2.19, each Lender shall be deemed to have funded each LIBOR Loan made by it at LIBOR for such Loan by a matching deposit or other borrowing in the London interbank market for Dollars for a comparable amount and for a comparable period, whether or not such LIBOR Loan was in fact so funded.

SECTION 2.20. Pro Rata Treatment.

(a) Except as permitted under Sections 2.16, 2.17, 2.18, 2.19, 2.29, 2.31 or as set forth anywhere else in this Agreement or any other Fundamental Document, each Borrowing, each payment or prepayment of principal of any Borrowing, each payment of interest on the Loans, each payment of the Facility Fees, each reduction of the Total Revolving Commitment and each refinancing of any Borrowing with another Borrowing, or conversion of any Borrowing into another Borrowing, shall be allocated pro rata among the Lenders in accordance with their respective Revolving 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 2.21. Right of Setoff.

If any Event of Default shall have occurred and be continuing and the Required Lenders 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 2.21 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 2.22. Manner of Payments.

(a) 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.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any LIBOR Borrowing (or, in the case of any ABR Borrowing, prior to 2:00 P.M., New York City time, on the date of such ABR Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.2 (or, in the case of an ABR Borrowing, that such Lender has made such share available in accordance with and at the time required by Section 2.2) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand in Dollars, in Federal or other immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate, plus the fee customarily charged by the Administrative Agent (and subject to the IFSA interbank compensation rules from time to time) in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to ABR Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

SECTION 2.23. Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower hereunder or under any Fundamental Document 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 Borrower shall make such deductions, (ii) the Borrower shall pay such amounts to the relevant Governmental Authority in accordance with Applicable Law, and (iii) the sum payable by the Borrower shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.23) 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.

(b) Without duplication of any amounts already paid under Section 2.23(a) or (c) 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 (including where such Indemnified Taxes or Other Taxes are imposed directly on the Administrative Agent or any Lender), without duplication of any amounts already paid under Section 2.23(a) or (b), 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 2.23) 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 than 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) (i) 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) (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased), at the time such Lender becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation) 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. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if the Lender is not legally entitled to deliver such documentation.

(ii) Without limiting the generality of the foregoing,

(A) Each Lender and Administrative Agent that is a United States Person, as defined in Section 7701(a)(30) of the Code, shall deliver on or prior to the date on which it becomes a party to this Agreement and at the time(s) prescribed by Applicable Law, and in the manner(s) prescribed by Applicable Law, to the Borrower and the Administrative Agent (as applicable), a properly completed and duly executed copy of 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.

(B) Any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Fundamental Document, executed copies of IRS Form W-8BENE (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Fundamental Document, IRS Form W-8BENE (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BENE (or W-8BEN, as applicable); or

(IV) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BENE (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender or to the Administrative Agent under any Fundamental Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender or the Administrative Agent were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender or the Administrative Agent shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender and the Administrative Agent agrees that if any form or certification it previously delivered pursuant to this Section 2.23 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(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 amounts pursuant to this Section 2.23, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or amounts paid, by the Borrower under this Section 2.23 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 2.23 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 2.23, 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 2.23.

SECTION 2.24. Certain Pricing Adjustments.

The Facility Fee and 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	Facility Fee (in Basis Points)	Applicable LIBOR Spread (in Basis Points)	Total Drawn Pricing (in Basis Points)
≥ A3/A-	7.5	92.5	100.0
Baa1/BBB+	10.0	97.5	107.5
Baa2/BBB	12.5	107.5	120.0
Baa3/BBB-	17.5	132.5	150.0
< Baa3/BBB-	22.5	152.5	175.0

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 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 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 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 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 Spread minus 100 Basis Points (but not less than 0%).

SECTION 2.25. [Intentionally Omitted].

SECTION 2.26. [Intentionally Omitted].

SECTION 2.27. [Intentionally Omitted].

SECTION 2.28. [Intentionally Omitted].

SECTION 2.29. Extension of Maturity Date.

(a) Request for Extension. The Borrower may, by written notice to the Administrative Agent (such notice, an "Extension Notice") request on one occasion that the Lenders extend the Maturity Date for an additional six (6) month period beyond the Initial Maturity Date. The Borrower shall deliver the Extension Notice at least 30 days, but no more than 120 days, prior to the Initial Maturity Date. The Administrative Agent shall distribute any such Extension Notice to the Lenders promptly following its receipt thereof.

(b) Conditions Precedent to Effectiveness of Maturity Date Extension. The effectiveness of an extension of the Maturity Date is subject to satisfaction of each of the following requirements as determined in good faith by the Administrative Agent:

(i) the Administrative Agent shall have received an Extension Notice within the period required under Section 2.29(a) above;

(ii) on the date of such Extension Notice and both immediately before and immediately after giving effect to such extension of the Initial Maturity Date, no Default shall have occurred and be continuing;

(iii) the Borrower shall have paid to the Administrative Agent, for the ratable benefit of the Lenders based on their respective Applicable Exposure Percentages, an extension fee in an amount equal to 0.075% of the Total Revolving Commitment in effect at the time the extension becomes effective, it being agreed that such fee shall be fully earned upon the effectiveness of each the extension of the Maturity Date and shall not thereafter be refundable for any reason;

(iv) the Administrative Agent shall have received a certificate of the Borrower dated as of the effective date of the extension, signed by a Responsible Officer of the Borrower (A) certifying and attaching the resolutions adopted by the Borrower approving or consenting to such extension and (B) certifying that (1) the representations and warranties contained in Section 3 are true and correct in all material respects on and as of the date of the Extension Notice and, both immediately before and immediately after giving effect to the extension of the Initial Maturity Date, except (x) to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects as of such earlier date, (y) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such applicable date (including such earlier date set forth in the foregoing clause (x)) after giving effect to such qualification and (z) for purposes of this Section 2.29, the representation and warranty contained in Section 3.4 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 5.1, and (2) no Default shall have occurred and is then continuing.

SECTION 2.30. [Intentionally Omitted].

SECTION 2.31. Defaulting Lenders.

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 10.9.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent hereunder for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity or otherwise), including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 8.3, shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by

this Agreement, as determined by the Administrative Agent; *third,* if so determined by the Administrative Agent and the Borrower, to be held in escrow in a non-interest bearing deposit account and released pro-rata in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *fifth,* so long as no Default or Event of Default exists, to the payment of amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made at a time when the conditions set forth in Section 4.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and reimbursement obligations owed to all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of that Defaulting Lender until such time as all Loans and funded are held by the Lenders pro rata in accordance with the Revolving Commitments hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or placed in escrow) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.31 shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. That Defaulting Lender (x) shall be entitled to receive any facility fee pursuant to Section 2 for any period during which that Lender is a Defaulting Lender only to the extent allocable to the outstanding amount of the Loans funded by it.

(iv) [Intentionally omitted].

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing in their reasonable discretion that a Lender no longer falls within the definition of "Defaulting Lender", the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held on a pro rata basis by the Lenders in accordance with their Revolving Percentages, whereupon that Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees or commissions accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

3. REPRESENTATIONS AND WARRANTIES OF BORROWER

In order to induce the Lenders to enter into this Agreement and to make the Loans 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:

SECTION 3.1. Corporate Existence and Power.

(a) The Borrower is duly organized and 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 a 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) The Subsidiaries of the Borrower are 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 a 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 (i) pursuant to this Agreement or any other Fundamental Document or (ii) which is a Permitted Encumbrance, which in the case of clauses (b) and (d), individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

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 or where the failure to take such action or obtain such consent or approval would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.4. Financial Statements of Borrower.

The audited balance sheet of the Borrower and its Consolidated Subsidiaries as at December 31, 2014, December 31, 2015 and December 31, 2016, and the related consolidated statements of income and of cash flows for the fiscal years ended on such date (the "Consolidated Audited Financial Statements"), fairly present the financial condition of the Borrower and its Consolidated Subsidiaries as of the dates indicated and the results of operations and cash flows for the periods indicated in conformity with GAAP.

SECTION 3.5. No Change.

As of the Closing Date, 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.

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 a Material Adverse Effect.

SECTION 3.7. Title to Properties.

Subject to Section 3.6, each of the Borrower or its Subsidiaries has good title or valid leasehold interests to each of the properties and assets necessary or used in the ordinary course of business (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 (a) as otherwise permitted to be disposed of pursuant to Section 6.2 or (b) for defects in title or interests that would not reasonably be expected to have a 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 a 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 a 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 (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.

Each of 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.

Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (a) no ERISA Event has occurred or is reasonably expected to occur; (b) the Borrower, each of its Material Subsidiaries and each of its ERISA Affiliates is in compliance with the provisions of ERISA and the Code applicable to Plans, and the regulations and published interpretations thereunder applicable to such entity in connection therewith, if any; (c) neither the Borrower nor any of its Subsidiaries has engaged in a transaction which would result in the incurrence of liability under Section 4069 of ERISA; and (d) 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, 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. As of the Closing Date, the Borrower is not and will not hold "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans.

SECTION 3.14. Disclosure.

As of the Closing Date, neither this Agreement nor any factual information provided to the Lenders by the Borrower in the Management Presentation Slides, delivered to the Lenders on or around November 8, 2017 (excluding projections, other forward looking information and information of a general economic or industry nature), when taken as a whole 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 materially misleading in light of the circumstances under which such statements were made. At the Closing 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 (it being understood that such projections are not to be viewed as facts and are subject to significant uncertainties and contingencies,

many of which are beyond the Borrower's control, that no assurance can be given that any particular projections will be realized and that actual results may differ and that such differences may be material).

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.

SECTION 3.16. Material Subsidiaries.

The Material Subsidiaries existing on the Closing Date (determined as of December 31, 2016) are listed on Schedule 3.16.

SECTION 3.17. OFAC.

Neither the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity currently the subject of any Sanctions. The Borrower, its Subsidiaries, and, to the knowledge of the Borrower and its Subsidiaries, their respective directors, officers, employees, agents, affiliates and representatives are in compliance with applicable Sanctions, except where the failure to comply, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.18. FCPA.

No proceeds of any Borrowing will be used directly, or to the knowledge of the Borrower indirectly, by the Borrower or any Subsidiary for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or other applicable anti-corruption laws. The Borrower, its Subsidiaries, and, to the knowledge of the Borrower and its Subsidiaries, their respective directors, officers, employees, agents, affiliates and representatives are in compliance with the United States Foreign Corrupt Practices Act of 1977, as amended, and other applicable anti-corruption laws, except where the failure to comply, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.19. EEA Financial Institution.

The Borrower is not an EEA Financial Institution.

4. CONDITIONS OF LENDING

SECTION 4.1. Conditions Precedent to Closing.

The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction or waiver, prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Fundamental Documents. The Administrative Agent shall have received this Agreement and any Notes requested in writing at least three Business Days prior to the Closing Date, each executed and delivered by a duly authorized officer of the Borrower.

(b) Financial Statements. The Lenders shall have received the Consolidated Audited Financial Statements for 2014, 2015 and 2016, which shall be deemed delivered to the Lenders upon filing of the Borrower's Form 10-K with the Securities and Exchange Commission containing such financial statements.

(c) Payment of Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses (including the reasonable fees and expenses of legal counsel) for which invoices have been presented to the Borrower at least three Business Days before the Closing Date by the Lenders and the Administrative Agent.

(d) Corporate Documents for the Borrower. The Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the certificate of incorporation and by-laws of the Borrower 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 the Borrower authorizing the borrowings hereunder and the execution, delivery and performance in accordance with their respective terms of the Fundamental Documents and any other documents required or contemplated hereunder; (C) as to the incumbency and specimen signature of each Responsible Officer of the Borrower executing the Fundamental Documents or any other document delivered by it in connection herewith (such certificate to contain a certification by another Responsible Officer of the Borrower as to the incumbency and signature of the Responsible Officer signing the certificate referred to in this paragraph (d)); and (D) that attached thereto are true and complete copies of such documents and certifications evidencing that the Borrower is validly existing, in good standing and qualified to engage in business in its jurisdiction of organization and each other jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(e) Opinions of Counsel. The Administrative Agent shall have received the executed written opinion, dated the date of the Closing Date and addressed to the Administrative Agent and the Lenders, of Kirkland & Ellis LLP, counsel to the Borrower, substantially in the form of Exhibit A.

(f) Officer's Certificate. The Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower certifying, as of the Closing Date, (i) compliance with the conditions set forth in paragraphs (b) and (c) of Section 4.2 and (ii) that the representation and warranty set forth in Section 3.5 is true and correct in all material respects on and as of the Closing Date.

(g) Projections. The Lenders shall have received projections through the end of calendar year 2018, which may be delivered to the Lenders by delivery of the Management Presentation Slides referred to in Section 3.14.

(h) [Intentionally Omitted].

(i) 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.

(j) Material Adverse Effect. The Lenders shall be satisfied that (i) there has been no development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect since December 31, 2016 and (ii) the Borrower and its subsidiaries are not party to or subject to any litigation or proceeding which would be likely to have a Material Adverse Effect.

(k) [Intentionally Omitted].

(l) Patriot Act, Etc.. The Administrative Agent and the Lenders shall have received from the Borrower all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Act, requested by the Administrative Agent and/or such Lender at least three (3) Business Days prior to the Closing Date.

(m) Solvency Certificate. The Administrative Agent shall have received a Solvency Certificate from the Borrower.

(n) Legal Fees and Expenses. Unless waived by the Administrative Agent, the Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

SECTION 4.2. Conditions Precedent to Each Extension of Credit.

The obligation of the Lenders to make each Loan, including the initial Loans hereunder, is subject to the following conditions precedent:

(a) Notice. The Administrative Agent shall have received a Borrowing Request as required by this Agreement.

(b) Representations and Warranties. The representations and warranties set forth in Section 3 hereof (other than in Section 3.5) and in the other Fundamental Documents shall be true and correct in all material respects on and as of the date of each Borrowing 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 Borrowing which is solely refinancing outstanding Loans and which, after giving effect thereto, has not increased the aggregate amount of outstanding 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 Borrowing which is solely refinancing outstanding Loans and which, after giving effect thereto, has not increased the aggregate amount of outstanding Loans.

Each Borrowing 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 Revolving Commitments shall be in effect or 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 reasonably 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 a Responsible Officer of the Borrower to the effect that such financial statements, while not examined by independent public accountants, fairly present in all material respects the financial condition of the Borrower and its Consolidated Subsidiaries, as at the end of the fiscal quarter and portion of the fiscal year then ended and the results of their operations for the quarter and portion of the fiscal year then ended in conformity with GAAP consistently applied, subject only to year-end 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 of the Borrower, substantially in the form of Exhibit C hereto (i) stating whether or not the signer has actual knowledge of any Default or Event of Default and, if so, specifying each such Default or Event of Default of which the signer has actual 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 of the Borrower or any of its Subsidiaries obtaining actual knowledge of the occurrence of any Default or Event of Default, a certificate of a Responsible

Officer of the Borrower 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 would 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 requested by the Administrative Agent or any Lender that is reasonably available to it (without waiver of any applicable evidentiary privilege) to enable the Lenders to evaluate such matters;

(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) stating that, in connection with their audit, nothing has come to their attention that caused them to believe that the Borrower failed to comply with the terms, covenants, provisions or conditions of Sections 5.4, 5.5, 5.6, 6.1, 6.2 and 6.5 through 6.7, inclusive, or if a failure to comply has come to their attention, specifying the nature and period of existence thereof; and

(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 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.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Bookrunners will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, Syndtrak, ClearPar or a substantially similar electronic transmission system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Bookrunners and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.15); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Bookrunners shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

SECTION 5.2. Corporate Existence; Compliance with Statutes.

(a) 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, would 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.

(b) Use, whether directly or indirectly, all Loans and the proceeds of all Loans in a manner that does not result in any violation of any Sanctions by the Borrower, any of its Subsidiaries, any Lender, any Bookrunner, any joint lead arranger or the Administrative Agent.

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 would 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 actually knows that any ERISA Event with respect to any Plan has occurred, a statement of a Responsible 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 of such ERISA Event, if any, required to be filed with the PBGC by the Borrower or any of its Subsidiaries; (b) 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 (b) 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; or (c) promptly upon the reasonable request of the Administrative Agent, copies of each annual and other report filed with the IRS, DOL or PBGC with respect to any Plan.

SECTION 5.6. Maintenance of and Access to Books and Records; Examinations.

Maintain or cause to be maintained at all times true and complete in all material respects 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 written 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 or services businesses.

SECTION 5.9. FCPA; Sanctions.

The Borrower will maintain in effect and enforce policies and procedures designed to promote and achieve compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with the United States Foreign Corrupt Practices Act of 1977, as amended, and other applicable anti-corruption laws and with all applicable Sanctions, except where failure to maintain and

enforce such policies and procedures, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

6. NEGATIVE COVENANTS

From the date of the initial Loan and for so long as the Revolving Commitments shall be in effect or 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 and any refinancing, extensions, renewals or modifications thereof, so long as such refinancing, renewals, extensions or modifications (i) do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, extended or modified (other than increases to pay fees and expenses incurred in connection therewith), and (ii) rank pari-passu with the Indebtedness being refinanced;

(b) Indebtedness (including Capital Leases) incurred in connection with or as a component of the purchase price of any property of any Material Subsidiary or that was existing on any property acquired by such Material Subsidiary at the time of acquisition thereof by such Material Subsidiary and assumed in connection with such acquisition (other than Indebtedness issued in connection with, or in anticipation of, such acquisitions) or otherwise incurred to finance the acquisition, construction or improvement of any property (including, without limitation, Indebtedness incurred to finance the cost of acquisition or construction of such property within 24 months after such acquisition or the completion of such improvement or construction); and any refinancing, extension or renewals of such Indebtedness as long as such refinancing, extensions, renewals or modifications (i) do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, extended or modified (other than increases to pay fees and expenses incurred in connection therewith), (ii) do not result in a change of the obligors in respect of such Indebtedness and (iii) rank pari-passu with the Indebtedness being refinanced;

(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 refinancing, renewal, extension or modification of Indebtedness under paragraph (e) above so long as such refinancing, renewals, extensions or modifications (i) do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, extended or modified (other than increases to pay fees and expenses incurred in connection therewith), and (ii) rank pari-passu with the Indebtedness being refinanced;

(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) Non-Recourse Indebtedness in an aggregate principal amount not to exceed $100,000,000;

(k) Indebtedness of any Material Subsidiary issued and outstanding prior to the date on which such Person became a Material Subsidiary (other than Indebtedness issued in connection with, or in anticipation of, such Person becoming a Material Subsidiary) and any refinancing, renewal, extension or modification of such Indebtedness so long as such refinancing, renewals, extensions or modifications (i) do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, extended, or modified (other than increases to pay fees and expenses incurred in connection therewith) and (ii) rank pari-passu with the Indebtedness being refinanced; and

(l) Indebtedness arising under 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 Material Subsidiaries (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.

(c) In the case of the Borrower, reincorporate or reorganize in any jurisdiction outside a state of the United States or the District of Columbia.

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) Liens securing Indebtedness permitted by Section 6.1(b) if (i) such Liens secure Indebtedness in an amount no greater than cost of the acquisition, construction or improvement of such property so financed (plus fees and expenses incurred in connection therewith); (ii) such Liens do not extend to or cover any property of any Material Subsidiary other than the property so acquired, constructed or improved 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 property being improved by such acquired property 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) or (j) 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 any 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. [Intentionally Omitted].

SECTION 6.5. Consolidated Leverage Ratio.

Permit the Consolidated Leverage Ratio as of the last day of any Rolling Period, commencing with the Rolling Period ending March 31, 2015, to be greater than 4.25 to 1.0; provided that such maximum ratio may be increased by the Borrower to 5.0 to 1.0 for a period of twelve months after the consummation of a Material Acquisition; provided further, that the maximum Consolidated Leverage Ratio may only be increased as described above for not more than two such twelve month periods during the term of this Agreement, which periods may not be consecutive.

SECTION 6.6. Consolidated Interest Coverage Ratio.

Permit the Consolidated Interest Coverage Ratio as of the last day of any Rolling Period, commencing with the Rolling Period ending March 31, 2015, to be less than 2.5 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.

SECTION 6.8. FCPA.

Use, directly or, to the knowledge of the Borrower, indirectly by the Borrower or any Subsidiary, proceeds of any Borrowing for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or other applicable anti-corruption laws.

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 (i) in the case of payments of interest and Facility Fees, such default shall continue unremedied for five days, and (ii) 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) or Section 6 of this Agreement;

(d) default shall be made by (i) the Borrower in the due observance or performance of any covenant, condition or agreement contained in Section 5.2(b) and such default shall continue unremedied for thirty days after the Borrower has, or should reasonably have had, knowledge of such default or (ii) 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 notice has been given to the Borrower by the Administrative Agent of such default;

(e) (i) default in payment shall be made with respect to any Indebtedness of the Borrower or any of its Material 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 Material 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 Material 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 Material Subsidiaries; 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 Material Subsidiary of the Borrower (other than Indebtedness issued in connection with, or in anticipation of, such Subsidiary becoming a Material 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 Material 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 Material 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; or

(j) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred (with respect to which the Borrower has a liability which has not yet been satisfied), would result in a Material Adverse 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 any or all of the following actions, at the same or different times: terminate forthwith the Revolving 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 Revolving Commitments of the Lenders shall thereupon forthwith terminate.

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 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 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 where applicable, first, to pay amounts payable to the Administrative Agent solely in its capacity as such, second, to pay accrued but unpaid Facility Fees, third, to pay accrued but unpaid interest on the Loans, fourth, to pay the principal balance outstanding on the Loans, and fifth to pay other amount payable to the Leaders. 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.

Each of the Lenders agrees that if it shall, through the operation of Section 2.21 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 Loans as a result of which the unpaid portion of its Loans 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 Loans 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 electronic communications, if arrangements for doing so have been approved by the applicable Lender) 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 any of 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 as determined by a final and non-appealable judgment of a court of competent jurisdiction. 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 10.4 or 10.5 hereof)) (i) to reimburse the Administrative Agent, the Syndication Agent and the Bookrunners in the amount of its Aggregate Exposure Percentage (in each case determined without duplication and based on their respective Aggregate Exposure Percentage as a Lender), for any expenses and fees incurred in their respective capacities as such 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, the Syndication Agent and the Bookrunners and any of their respective directors, officers, employees, or agents, on demand, in the amount of its Aggregate Exposure Percentage (in each case determined without duplication and based on their respective Aggregate Exposure Percentage as a Lender), 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 their respective capacities as such 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 as determined by a final and non-appealable judgment of a court of competent jurisdiction).

SECTION 8.7. Rights of Administrative Agent.

It is understood and agreed that Bank of America 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 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 the Administrative Agent shall not bear 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 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 at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right to appoint a successor, which successor shall (i) unless an Event of Default has occurred and is continuing, be approved in writing by the Borrower and (ii) be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders (and approved by the Borrower, if applicable) and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth in clauses (i) and (ii) of the prior sentence; provided that in no event shall any such successor Administrative Agent be a Defaulting Lender; provided further that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Fundamental Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Fundamental Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Fundamental Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Fundamental Documents, the provisions of this Section 8, Section 10.4 and Section 10.5 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring Administrative Agent was acting as Administrative Agent and (ii) after such resignation for as long as any of them continues to act in any capacity hereunder or under the other Fundamental Documents, including (a) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (b) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

SECTION 8.11. [Intentionally Omitted].

SECTION 8.12. Agents Generally.

Except as expressly set forth herein, neither any Agent nor any joint lead arranger or joint bookrunner listed on the cover page hereof shall have any powers, duties or responsibilities hereunder or under any other Fundamental Document in its capacity as such; and shall incur no liability, under this Agreement and the other Fundamental Documents.

9. [INTENTIONALLY OMITTED]

10. MISCELLANEOUS

SECTION 10.1. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (c) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Administrative Agent with regards to advances or payments, to it at Bank of America, N.A., 901 Main Street, 14th Floor, Dallas, TX 75202, Attention of Maria Bulin (Telephone No. (469) 201-8234; Facsimile No. (214) 290-9411; Email: maria.bulin@baml.com);

(ii) if to the Administrative Agent with regards to financials and other notices, to it at Bank of America, N.A., 901 Main Street, 14th Floor, Dallas, TX 75202, Attention of Maurice Washington (Telephone No. (214) 209-5606; Facsimile No.(214) 290-8392; Email: maurice.washington@baml.com, with a copy to Bank of America, N.A., 901 Main Street, 14th Floor, Dallas, TX 75202, Attention of Suzanne Eaddy (Telephone No. (214) 209-0936; Facsimile No. (214) 209-0085; Email: suzanne.eaddy@baml.com);

(iii) if to the Borrower, to it at 22 Sylvan Way, Parsippany, NJ 07054, Attention of Corporate Secretary (Facsimile No. 973-496-1127; Email: jennifer.giampietro@wyn.com or steve.meetre@wyn.com) and Treasurer (Facsimile No. 973-496-1192; Email: Jeffrey.leuenberger@wyn.com), with a copy to Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, Attention of Jason Kanner (Facsimile No. 212-446-4900; Email: Jason.kanner@kirkland.com); and

(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);

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 facsimile number and other communications hereunder for notices and other communications hereunder by notice to the other parties hereto. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile

shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (c) below, shall be effective as provided in such subsection (c).

(c) Notices and other communication to the Lenders hereunder may be delivered or furnished by electronic communications (including e-mail, FpML messaging, and Internet or intranet websites) 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 and the Borrower may each, 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.

(d) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(e) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE ADMINISTRATIVE AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials or notices through the platform, any other electronic platform or electronic messaging service, or through the Internet. In addition, in no event shall the Administrative Agent Party have any liability to the Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

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 Revolving Commitments have 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 assign to an Eligible Assignee all or a portion of its interests, rights and obligations under this Agreement (including, without limitation, all or a portion of its Revolving Commitment and the same portion of the Loans at the time owing to it); provided, however, that (1) each 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 and the Revolving Commitment which are the subject of such assignment, (2) the amount of the Revolving Commitment 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 $5,000,000 (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 maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation; 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 Revolving 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 B 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 an Eligible Assignee (a "Participant") in all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Revolving 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 2.16, 2.17, 2.19 and 2.23 hereof (and subject to the limitations and obligations 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 2.23 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 2.23(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. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain a register in which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"). The entries in the Participant Register shall be conclusive, and such Lender, the Administrative Agent and the Borrower shall treat each Person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for purposes of this Agreement, notwithstanding notice to the contrary.

(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 either the confidentiality provisions of Section 10.15 or other provisions at least as restrictive as 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 or any other central 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.

(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 all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to Section 2.1 or 2.8, provided that (i) nothing herein shall constitute a commitment to make any 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 Loan or fund any other obligation required to be funded by it hereunder, the Granting Lender shall be obligated to make such Loan or fund such obligation pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall satisfy the obligation of the Granting Lenders to make 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 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 Loans made by SPC or to support the securities (if any) issued by such SPC to fund such Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of a surety, guarantee or credit or liquidity enhancement to such SPC.

(l) The Borrower and its Subsidiaries and controlled Affiliates shall not be entitled to (i) vote as a Lender under any matter related to this Agreement or the other Fundamental Documents except, to the extent applicable, for matters described in clauses (i)-(iii) of Section 10.9(a) requiring the consent of each Lender affected thereby or (ii) in their capacities as Lender, attend Lender meetings or conference calls or receive information distributed to Lenders.

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, the Syndication Agent and the Bookrunners in connection with the syndication, preparation, execution, delivery and administration of this Agreement and the other Fundamental Documents (and any actual or proposed amendment, modification or waiver of this Agreement or the other Fundamental Documents), the making of the Loans, the reasonable and documented fees and disbursements of Arnold & Porter Kaye Scholer LLP, counsel to the Administrative Agent, as well as all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Syndication Agent and 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 Administrative Agent, the Syndication Agent and 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 the Administrative Agent, the Syndication Agent or 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 Administrative Agent, the Syndication Agent or 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, the Syndication Agent, the Bookrunners and the Lenders and their respective directors, officers, employees, advisors, Affiliates 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 or the use or proposed use of the proceeds, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE,** 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 as determined by a final and nonappealable judgment of a court of competent jurisdiction, 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. No Indemnified Party shall be liable for any special, indirect, consequential or punitive damages in connection with its activities relating to this Agreement and the other Fundamental Documents.

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 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 Payment Dates.

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 (including in Sections 2.14 and 2.29), 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, (ii) 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, or decrease the rate at which the Facility Fees or other fees accrue, or extend the scheduled date of any payment thereof, (iii) waive a default under Section 7(b) hereof with respect to a scheduled principal installment of any Loan or (iv) amend Section 2.20, Section 8.2(b) or Section 8.3, in each case, in a manner that would alter the pro rata sharing of payments required thereby; and provided, further that, except to the extent reasonably necessary to give effect to Section 2.14 and 2.29, 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. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or

disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Revolving Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

(b) [Intentionally Omitted].

(c) This Agreement may be amended with the consent of the Administrative Agent, the Borrower and any other Person set forth in the applicable section in order to implement the provisions of Sections 2.14(d)-(h) and 2.29.

(d) Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Fundamental Documents and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

(e) Further, notwithstanding anything to the contrary contained in this Section, if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Fundamental Documents, then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Fundamental Document if the same is not objected to in writing by the Required Lenders within three Business Days following receipt of notice thereof.

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 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, THE OTHER FUNDAMENTAL DOCUMENTS, AND THE PROVISIONS OF THE LETTER AGREEMENTS DATED OCTOBER 26, 2017 AMONG THE BORROWER, BANK OF AMERICA, N.A., JPMORGAN CHASE BANK, N.A. AND THE BOOKRUNNERS RELATING TO FEES AND EXPENSES, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

SECTION 10.15. Confidentiality.

Each of the Administrative Agent and each of 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 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 or other provisions at least as restrictive as this Section 10.15),

(b) to the extent requested by any regulatory authority or any self-regulatory body having or claiming jurisdiction or oversight over it or its Affiliates,

(c) to the extent required by Applicable Law, regulations or by any subpoena or similar legal process, provided that, other than in the case of banking and audit exams, 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.

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, except that the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Fundamental Documents, and the Revolving Commitments. 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 and the Administrative Agent 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 or the Administrative Agent to identify the Borrower in accordance with the Act. The Borrower shall promptly provide such information upon request by the Administrative Agent or any Lender to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act. In connection therewith, the Administrative Agent and 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 makes a claim for payment under Section 2.16, 2.17 or 2.18, 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 2.19, replace such Lender by causing such Lender to assign its Revolving Commitment (with the assignment fee to be paid by the Borrower in such instance) pursuant to Section 10.3 to one or more Eligible Assignees procured by the Borrower upon receipt of accrued fees and interest and all other amounts due and owing to it.

SECTION 10.18. No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Fundamental Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Lenders and the other Agents are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Lenders and the other Agents, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Fundamental Documents; (ii) (A) the Administrative Agent, each Lender and each other Agent has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent nor any Lender or other Agent has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Fundamental Documents; and (iii) the Administrative Agent, the Lenders and the other Agents and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any Lender or other Agent has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Lenders and the other Agents with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 10.19. [Intentionally Omitted].

SECTION 10.20. Electronic Execution of Assignments and Certain Other Documents.

The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Acceptances, amendments, amendments and restatements or other modifications, Borrowing Requests, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

SECTION 10.21. Acknowledgement and Consent to Bail-in of EEA Financial Institution.

Notwithstanding anything to the contrary in any Fundamental Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Fundamental Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable;

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Fundamental Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

SECTION 10.22. Lender Representations Regarding ERISA.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans and this Agreement;

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that:

(i) none of the Administrative Agent or any of its Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Fundamental Document or any documents related to hereto or thereto);

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E);

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations);

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder; and

(v) no fee or other compensation is being paid directly to the Administrative Agent or any of its Affiliates for investment advice (as opposed to other services) in connection with the Loans or this Agreement.

(c) The Administrative Agent hereby informs the Lenders that it is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that it has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans and this Agreement, (ii) may recognize a gain if it extended the Loans for an amount less than the amount being paid for an interest in the Loans by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Fundamental Documents or otherwise, including structuring fees,

commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

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/ Jeffrey R. Leuenberger
Name: Jeffrey R. Leuenberger
Title: Senior Vice President and Treasurer

BANK OF AMERICA, N.A.,
as Administrative Agent and Lender

By: /s/ Suzanne E. Pickett
Name: Suzanne E. Pickett
Title: Vice President

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent and Lender

By: /s/ Nadeige Dang
Name: Nadeige Dang
Title: Vice President

DEUTSCHE BANK SECURITIES INC.,
as Co-Documentation Agent

By: /s/ Reza Akhavi
Name: Reza Akhavi
Title: Managing Director

By: /s/ A. Drew Goldman
Name: A. Drew Goldman
Title: Managing Director

DEUTSCHE BANK AG, NEW YORK,
as Lender

By: /s/ Joanna Soliman
Name: Joanna Soliman
Title: Vice President

By: /s/ J.T. Johnston Coe
Name: J.T. Johnston Coe
Title: Managing Director

GOLDMAN SACHS BANK USA,
as Co-Documentation Agent and Lender

By: /s/ Annie Carr
Name: Annie Carr
Title: Authorized Signatory

WELLS FARGO BANK, N.A.,
as Co-Documentation Agent and Lender

By: /s/ James Travagline
Name: James Travagline
Title: Managing Director

SUNTRUST BANK,
as Co-Documentation Agent and Lender

By: /s/ Christian Sumulong
Name: Christian Sumulong
Title: Vice President

THE BANK OF NOVA SCOTIA,
as Co-Documentation Agent and Lender

By: /s/ Michael Grad
Name: Michael Grad
Title: Director

U.S. BANK NATIONAL ASSOCIATION,
as Co-Documentation Agent and Lender

By: /s/ Steven L. Sawyer
Name: Steven L. Sawyer
Title: Senior Vice President

BARCLAYS BANK PLC,
as Co-Documentation Agent and Lender

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as Co-Documentation Agent and Lender

By: /s/ Mustafa Khan
Name: Mustafa Khan
Title: Director

Schedule 2.1

COMMITMENTS

Lender	Revolving Commitment
Bank of America, N.A.	$55,000,000.00
JPMorgan Chase Bank, N.A.	$55,000,000.00
Deutsche Bank AG, New York	$55,000,000.00
Goldman Sachs Bank USA	$55,000,000.00
Wells Fargo Bank, N.A.	$30,000,000.00
SunTrust Bank	$30,000,000.00
The Bank of Nova Scotia	$30,000,000.00
U.S. Bank National Association	$30,000,000.00
Barclays Bank PLC	$30,000,000.00
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	$30,000,000.00
Total	$400,000,000.00

Schedule 3.16

Material Subsidiaries

Wyndham Hotel Group LLC
Wyndham Destination Network Subsidiary, LLC
Wyndham Vacation Ownership, Inc.
Wyndham Vacation Resort
Wyndham Resort Development Corporation
WER Luxembourg I SARL.
WER Luxembourg II SARL.
PointLux S.a.r.l.
EMEA Holdings C. V.
Wyndham Consumer Finance
Sierra Deposit Company

EXHIBIT A

FORM OF
OPINION OF KIRKLAND & ELLIS LLP

November 21, 2017

To the Agents
and each of the Lenders under the
Credit Agreement (referred to below)
on the date hereof (the "Lenders"):

Re: Credit Agreement dated as of the date hereof, by and among WYNDHAM WORLDWIDE CORPORATION, a Delaware corporation (the "Borrower"), the financial institutions from time to time party thereto as lenders (the "Lenders"), JPMORGAN CHASE BANK, N.A., as syndication agent (the "Syndication Agent"), and BANK OF AMERICA, N.A., as administrative agent (the "Administrative Agent"; together with the Syndication Agent, the "Agents") for the Lenders (such credit agreement herein referred to as the "Credit Agreement")

Ladies and Gentlemen:

We are issuing this opinion letter in our capacity as counsel to and at the request of the Borrower in respect of the Credit Agreement.

The opinions expressed herein are being provided pursuant to Section 4.1(e) of the Credit Agreement. Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement (with references herein to the Credit Agreement and each document defined therein meaning the Credit Agreement and each such document as executed and delivered on the date hereof). The Lenders and the Agents are sometimes referred to in this opinion letter as "you".

In connection with the preparation of this letter, we have, among other things, reviewed executed counterparts of the Credit Agreement. For purposes hereof, the Credit Agreement (in the form reviewed by us for purposes of this opinion letter) is sometimes called the "Operative Document." The term "Organizational Documents" whenever used in the letter means the certificate of incorporation of the Borrower, and the by-laws of the Borrower, as in effect on the date hereof.

Subject to the assumptions, qualifications, exclusions and other limitations which are identified in this opinion letter, we advise you, and with respect to each legal issue addressed in this opinion letter, it is our opinion, that:

---

1. The Borrower is a corporation existing and in good standing under the General Corporation Law Of The State Of Delaware ("DGCL"). For purposes of this opinion, we have relied exclusively upon certificates issued by a governmental authority in the relevant jurisdiction, and such opinions are not intended to provide any conclusion or assurance beyond that conveyed by those certificates.

2. The Borrower has the corporate power to execute, deliver and perform its obligations under the Operative Document.

3. The Borrower has taken the corporate action necessary to authorize its execution, delivery and performance of the Operative Document.

4. The Operative Document has been duly executed and delivered on behalf of the Borrower.

5. The Operative Document is a valid and binding obligation of the Borrower and is enforceable against the Borrower in accordance with its terms.

6. The execution and delivery by the Borrower of the Operative Document, and the performance by the Borrower of the Operative Document, will not (i) constitute a violation of the Organizational Documents of the Borrower or (ii) constitute a violation of any applicable provision of existing State of New York law or United States federal statutory law or published governmental regulation applicable to the Borrower, in each case to the extent covered by this opinion letter, or of any applicable provision of the DGCL.

7. No consent, approval, authorization or order of, or filing with, any United States federal or New York governmental authority or body or any Delaware governmental agency or body acting pursuant to the DGCL is required in order for the Borrower to obtain the right to execute and deliver, or perform its obligations under the Operative Document, except for (i) those obtained or made prior to the date hereof, (ii) consents, approvals, authorizations, orders or filings required in connection with the ordinary course of conduct by the Borrower of its business and ownership or operation by the Borrower of its assets in the ordinary course of business (as to which we express no opinion), (iv) those that may be required under federal securities laws and regulations or state "blue sky" laws and regulations (as to which we express no opinion) or any other laws, regulations or governmental requirements which are excluded from the coverage of this opinion letter and (v) consents, approvals, authorizations, orders or filings that may be required by any banking, insurance or other regulatory statutes to which you may be subject (as to which we express no opinion).

8. The Borrower is not an "investment company" required to be registered as such under the Investment Company Act of 1940, as amended, or the rules and regulations thereunder.

9. Assuming application of the proceeds of the Loans as contemplated by the Credit Agreement and, for purposes of Regulation X of the Board of Governors of the Federal Reserve System, no Lender or Agent is subject to Regulation T of the Board of Governors of the Federal Reserve System, the execution and delivery of the Credit Agreement by the Borrower and

the making of the Loans under the Credit Agreement will not violate Regulation U or X of the Board of Governors of the Federal Reserve System.

With your consent, we have assumed for purposes of this letter and the opinions herein:

(a) that each document we have reviewed for purposes of this letter is accurate and complete, each such document that is an original is authentic, each such document that is a copy conforms to an authentic original, and all signatures on each such document are genuine, and that all natural persons who have signed any document have the legal capacity to do so;

(b) that the Operative Document and every other agreement we have examined for purposes of this letter has been duly authorized, executed and delivered by the parties thereto and constitutes a valid and binding obligation of each party to that document, enforceable against each such party in accordance with its respective terms and that each such party has satisfied all legal requirements that are applicable to such party to the extent necessary to entitle such party to enforce such agreement and that each party to the Operative Document is in good standing and validly existing under the laws of its jurisdiction of organization (except that we make no such assumption in this paragraph (b) with respect to the Borrower);

(c) there are no agreements or understandings among the parties, written or oral (other than the Operative Document), and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Operative Document; and

(d) that the status of the Operative Document as legally valid and binding obligations of the parties is not affected by any (i) breaches of, or defaults under, agreements or instruments, (ii) violations of statutes, rules, regulations or court or governmental orders, or (iii) failures to obtain required consents, approvals or authorizations from, or make required registrations, declarations or filings with, governmental authorities, provided that we make no such assumption to the extent we have opined as to such matters with respect to the Borrower herein.

In preparing this letter, we have relied without any independent verification upon: (i) information contained in certificates obtained from governmental authorities; (ii) factual information represented to be true in the Operative Document; (iii) factual information provided to us in a support certificate signed by the Borrower; and (iv) factual information we have obtained from such other sources as we have deemed reasonable; and we have examined the originals or copies certified to our satisfaction, of such Organizational Documents and other corporate records of the Borrower as we deem necessary for or relevant to our opinions. We have assumed without investigation that the information upon which we have relied is accurate and does not omit disclosures necessary to prevent such information from being misleading.

The terms "knowledge," "actual knowledge" and "aware" whenever used in this letter with respect to our firm mean conscious awareness at the time this letter is delivered on the date it bears by the lawyers with Kirkland & Ellis LLP at that time who spent substantial time representing the Borrower in connection with the Operative Document (herein called our "Designated Transaction Lawyers").

Each opinion (an "enforceability opinion") in this letter that any particular contract is a valid and binding obligation, is enforceable in accordance with its terms is subject to: (i) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and judicially developed doctrines in this area such as substantive consolidation and equitable subordination; (ii) the effect of general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity); (iii) an implied covenant of good faith and fair dealing; and (iv) other commonly recognized statutory and judicial constraints on enforceability including statutes of limitations. "General principles of equity" include but are not limited to: principles limiting the availability of specific performance and injunctive relief; principles which limit the availability of a remedy under certain circumstances where another remedy has been elected; principles requiring reasonableness, good faith and fair dealing in the performance and enforcement of an agreement by the party seeking enforcement; principles which may permit a party to cure a material failure to perform its obligations; and principles affording equitable defenses such as waiver, laches and estoppel.

Each enforceability opinion is also subject to the qualification that certain provisions of the Operative Document may not be enforceable in whole or in part, although the inclusion of such provisions does not render the Operative Document invalid, and the Operative Document and the laws of the State of New York contain adequate remedial provisions for the practical realization of the rights and benefits afforded thereby.

Each enforceability opinion is further subject to the effect of rules of law that may render guaranties or other similar instruments or agreements unenforceable under circumstances where your actions, failures to act or waivers, amendments or replacement of the Operative Document (i) so radically change the essential nature of the terms and conditions of the guaranteed obligations and the related transactions that, in effect, a new relationship has arisen between you and the Borrower which is substantially and materially different from that presently contemplated by the Operative Document, (ii) release the primary obligor, or (iii) impair the guarantor's recourse against the primary obligor.

We also express no opinion regarding the enforceability of any so-called "fraudulent conveyance or fraudulent transfer savings clauses" and any similar provisions in the Operative Document, to the extent such provisions purport to limit the amount of the obligations of any party or the right to contribution of any other party with respect to such obligations.

We render no opinion with regard to usury or other laws limiting or regulating the maximum amount of interest that may be charged, collected, received or contracted for other than the internal laws of the State of New York, and without limiting the foregoing, we expressly disclaim any opinion as to the usury or other such laws of any other jurisdiction (including laws of other states made applicable through principles of Federal preemption or otherwise) which may be applicable to the transactions contemplated by the Operative Document.

Nothing contained in this letter covers or otherwise addresses any of the following types of provisions which may be contained in the Operative Document:

(i) provisions mandating contribution towards judgments or settlements among various parties;

(ii) waivers of benefits and rights to the extent they cannot be waived under applicable law;

(iii) provisions providing for penalties, liquidated damages, acceleration of future amounts due (other than principal) without appropriate discount to present value, late charges, prepayment charges, or increased interest rates upon default;

(iv) provisions which might require indemnification or contribution in violation of general principles of equity or public policy, including, without limitation, indemnification or contribution obligations which arise out of the failure to comply with applicable state or federal securities laws;

(v) agreements to submit to the jurisdiction of any particular court or other governmental authority (either as to personal or subject matter jurisdiction), except to the extent such submission to the courts of the State of New York is made in compliance with the statutory laws of the State of New York; provisions restricting access to courts; waiver of service of process requirements which would otherwise be applicable; waiver of the right to a jury trial and provisions otherwise purporting to affect the jurisdiction and venue of courts;

(vi) choice-of-law provisions, except to the extent such choice of law of New York law as the governing law is made in compliance with the statutory laws of the State of New York;

(vii) intentionally omitted;

(viii) provisions that authorize you to set off and apply any deposits at any time held, and any other indebtedness at any time owing, by you to or for the account of the Borrower, or

(ix) requirements in the Operative Document specifying that provisions thereof may only be waived in writing.

Except as expressly otherwise set forth in this letter, our advice on every legal issue addressed in this letter is based exclusively on the internal laws of the State of New York or the Federal law of the United States which, in each case, in our experience is generally applicable both to general business organizations which are not engaged in regulated business activities and to transactions of the type contemplated in the Operative Document between the Borrower, on the one hand, and you, on the other hand (but without our having made any special investigation as to any other laws), except that we express no opinion or advice as to any law or legal issue (a) which might be violated by any misrepresentation or omission or a fraudulent act, or (b) to which the Borrower may be subject as a result of your legal or regulatory status, your sale or transfer of the Loans or interests therein or your involvement in the transactions contemplated by the Operative Document.

For purposes of paragraphs 1 through 4 and 6(i) our opinions are based on the DGCL (without regard to judicial interpretation thereof or rules or regulations promulgated thereunder), as published by Aspen Publishers, Inc., as supplemented through October 16, 2017, with respect to the DGCL. We note however that we are not admitted to practice law in the State of Delaware, and without limiting the forgoing we expressly disclaim any opinions regarding Delaware contract law or general Delaware law that may be incorporated expressly or by operation of law into the DGCL or into any Organizational Document entered into pursuant thereto.

None of the opinions or other advice contained in this letter considers or covers: (i) any federal or state securities (or "blue sky") laws or regulations (other than our opinion in paragraph 8 regarding the Investment Company Act) or Federal Reserve Board margin regulations (other than our opinion in paragraph 9) or (ii) federal or state antitrust and unfair competition laws and regulations, pension and employee benefit laws and regulations, compliance with fiduciary duty requirements, federal and state environmental, land use and subdivision, tax, racketeering (e.g., RICO), health and safety (e.g., OSHA), and labor laws and regulations, federal and state laws, regulations and policies concerning national and local emergency, possible judicial deference to acts of sovereign states and criminal and civil forfeiture laws, and other federal and state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes).

We also express no opinion regarding any laws relating to terrorism or money laundering, including Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) (the "Terrorism Executive Order") or any related enabling legislation or any other similar executive order (collectively with the Terrorism Executive Order, the "Executive Orders"), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the "Patriot Act"), any sanctions and regulations promulgated under authority granted by the Trading with the Enemy Act, 50 U.S.C. App. 1-44, as amended from time to time, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, as amended from time to time, the Iraqi Sanctions Act, Publ. L. No. 101-513; United Nations Participation Act, 22 U.S.C. § 287c, as amended from time to time, the International Security and Development Cooperation Act, 22 U.S.C. § 2349 aa-9, as amended from time to time, The Cuban Democracy Act, 22 U.S.C. §§ 6001-10, as amended from time to time, The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 2339b, as amended from time to time, and The Foreign Narcotics Kingpin Designation Act, Publ. L. No. 106-120, as amended from time to time.

We express no opinion as to what law might be applied by any courts other than the courts of the State of New York to resolve any issue addressed in this letter. We advise you that issues addressed by this letter may be governed in whole or in part by other laws, but we express no opinion as to the whether any relevant difference exists between the laws upon which our opinions are based and any other laws which may actually govern.

This opinion letter speaks as of the time of its delivery on the date it bears. We do not assume any obligation to provide you with any subsequent opinion or advice by reason of any fact about which our Designated Transaction Lawyers did not have actual knowledge at that time, by reason

of any change subsequent to that time in any law covered by any of our opinions, or for any other reason.

You may rely upon this letter only for the purpose served by the provision in the Credit Agreement cited in the second paragraph of this opinion letter in response to which it has been delivered. Without our written consent: (i) no person other than you may rely on this opinion letter for any purpose; (ii) this opinion letter may not be cited or quoted in any financial statement, prospectus, private placement memorandum or other similar document; (iii) this opinion letter may not be cited or quoted in any other document or communication which might encourage reliance upon this opinion letter by any person or for any purpose excluded by the restrictions in this paragraph; and (iv) copies of this opinion letter may not be furnished to anyone for purposes of encouraging such reliance. Notwithstanding the foregoing, financial institutions which subsequently become Lenders in accordance with the terms of Section 10.3 of the Credit Agreement may rely on this opinion letter as of the time of its delivery on the date hereof as if this letter were addressed to them.

Sincerely,

KIRKLAND & ELLIS LLP

EXHIBIT B

FORM OF
ASSIGNMENT AND ACCEPTANCE

Reference is made to the Credit Agreement, dated as of November 21, 2017 (as the same may be amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Credit Agreement"), among WYNDHAM WORLDWIDE CORPORATION (the " Borrower"), the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent named therein, and Bank of America, N.A., as Administrative Agent for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Assignor identified on Schedule l hereto (the "Assignor") and the Assignee identified on Schedule l hereto (the " Assignee") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), the interest described in Schedule 1 hereto (the "Assigned Interest") in and to the Assignor's rights and obligations under the Credit Agreement with respect to its Revolving Commitment under the Credit Agreement and its Loans, in either case, as are set forth on Schedule 1 hereto in the amount(s) as are set forth on Schedule 1 hereto, provided, however, it is expressly understood and agreed that (i) the Assignor is not assigning to the Assignee and the Assignor shall retain (A) all of the Assignor's rights under Section 2.17 of the Credit Agreement with respect to any cost, reduction or payment incurred or made prior to the Effective Date, including without limitation the rights to indemnification and to reimbursement for taxes, costs and expenses and (B) any and all amounts paid to the Assignor prior to the Effective Date and (ii) both Assignor and Assignee shall be entitled to the benefits of Sections 10.4 and 10.5 of the Credit Agreement.

2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Fundamental Documents or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim and (b) 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 Credit Agreement or any other Fundamental Document or any other instrument or document furnished pursuant hereto or thereto.

3. The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 5.1(a)

and 5.1(b) thereof (or if none of such financial statements shall have then been delivered, then copies of the financial statements referred to in Section 3.4 thereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent or any 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 the Credit Agreement; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Fundamental Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; and (f) if the Assignee is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to Section 10.3 of the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of acceptance and recording by the Administrative Agent) of the executed Assignment and Acceptance.

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

6. From and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the other Fundamental Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

7. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

8. This Assignment and Acceptance may be executed in counterparts, each of which shall be deemed to constitute an original, but all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to Assignment and Acceptance with respect to
the Credit Agreement, dated as of November 21, 2017, among
WYNDHAM WORLDWIDE CORPORATION (the "Borrower"),
the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent
named therein, and Bank of America, N.A., as Administrative Agent

Legal Name of Assignor: _______________________

Legal Name of Assignee: _______________________

Effective Date of Assignment: ___________________

IF THE ASSIGNOR IS ASSIGNING ITS
REVOLVING COMMITMENT AND ITS LOANS

Assignor's Revolving Commitment (without giving effect to any assignments thereof which have not yet become effective):	$__________
The outstanding balance of Loans owing to Assignor (unreduced by any assignments thereof which have not yet become effective):	$__________
Amount of the Assignor's Revolving Commitment Assigned (including a proportionate share of the Loans owing to Assignor); which must be $5,000,000 or more (or, if less, the remaining portion of the Assignor's rights and obligations under the Credit Agreement):	$__________

[1] Unless otherwise agreed by the Borrower and the Administrative Agent.

[Consented to and] Accepted:

BANK OF AMERICA, N.A., as
Administrative Agent

By:_________________________________
Name:
Title:

____________________, as Assignor

By:_________________________________
Name:
Title:

____________________, as Assignee

By:_________________________________
Name:
Title:

[Consented to:

WYNDHAM WORLDWIDE CORPORATION, as Borrower

By:_________________________________
Name:
Title:]

[2] To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

[3] The consent of the Borrower shall not be required so long as an Event of Default has occurred and is continuing (or, at any time, if Assignee is a Lender or an Affiliate of a Lender).

EXHIBIT C

FORM OF
COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered pursuant to Section 5.1(c) of the Credit Agreement, dated as of November 21, 2017 (as the same may be amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Credit Agreement"), among WYNDHAM WORLDWIDE CORPORATION (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent named therein, and Bank of America, N.A., as Administrative Agent for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

1. I am the duly elected, qualified and acting [chief executive officer, president, chief accounting officer, chief financial officer, treasurer or assistant treasurer] of the Borrower and as such am a Responsible Officer of the Borrower.

2. I have reviewed and am familiar with the contents of this Compliance Certificate.

3. I have reviewed the terms of the Credit Agreement and the Fundamental Documents and have made or caused to be made under my supervision, a review in reasonable detail of the transactions and condition of the Borrower during the accounting period covered by the financial statements attached hereto as Attachment 1 (the "Financial Statements"). Such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Compliance Certificate, of any condition or event which constitutes a Default or Event of Default[, except as set forth below].

4. Attached hereto as Attachment 2 are the computations showing compliance with the covenants set forth in Section 6.5 and 6.6 of the Credit Agreement.

The foregoing certifications, together with the computations and comparisons set forth in the attachment hereto and the financial statements attached to this Compliance Certificate in support hereof, are made and delivered this ___ day of _____________, ______ pursuant to Section 5.1(c) of the Credit Agreement.

IN WITNESS WHEREOF, I have executed this Compliance Certificate this _____ day of ____, 20___.

WYNDHAM WORLDWIDE CORPORATION

Name:
Title:

Attachment 1
to Compliance Certificate

[Attach Financial Statements]

Attachment 2
to Compliance Certificate

The information described herein is as of ______, ____, and pertains to the period from _________, ____ to ________________ __, ____.

[Set forth Covenant Calculations]

EXHIBIT D

FORM OF BORROWING REQUEST

Bank of America, N.A., as Administrative Agent
for the Lenders referred to below,
[ ]
[ ]

Attention: ____________________ [Date]

Ladies and Gentlemen:

The undersigned, Wyndham Worldwide Corporation (the "Borrower"), refers to Credit Agreement, dated as of November 21, 2017 (as the same may be amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation, the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent named therein, and Bank of America, N.A., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice pursuant to Section 2.3 of the Credit Agreement that it requests a Borrowing under the Credit Agreement and in that connection sets forth below the terms on which such Borrowing is requested to be made:

(A) Date of the Borrowing (which is a Business Day) __________

(B) Principal Amount of the Borrowing $__________

(C) Interest Rate Type of the Borrowing __________

1. Shall (a) in the case of ABR Loans, be in an integral multiple of $500,000 and not less than $5,000,000 and (b) in the case of LIBOR Loans, be in an integral multiple of $1,000,000 and not less than $5,000,000 (or, in the case of clause (a) and clause (b) above with respect to Loans, if less, an aggregate principal amount equal to the remaining balance of the available Total Revolving Commitment).

2. LIBOR Borrowing or ABR Borrowing.

(D) Interest Period(s) with respect to the LIBOR Loan(s) and the last day of such Interest Period(s) __________

Upon acceptance of the Loans to be made by the Lenders in response to this request, the Borrower shall be deemed to have represented and warranted that the conditions to each Loan specified in Sections 4.2(b) and 4.2(c) of the Credit Agreement have been satisfied.

Very truly yours,

WYNDHAM WORLDWIDE CORPORATION

By:____
Name:
Title:

[3] Shall be subject to the definition of "Interest Period" and shall not end later than the Maturity Date. [Complete only in the case where LIBOR Loan(s) are being requested.]

EXHIBIT E

FORM OF NEW LENDER SUPPLEMENT

Dated: ______________ __, 20__

Reference is made to the Credit Agreement, dated as of November 21, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent named therein, and Bank of America, N.A., as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The New Lender identified on Schedule l hereto (the "New Lender"), the Administrative Agent and the Borrower agree as follows:

1. The New Lender hereby irrevocably makes a Revolving Commitment available to the Borrower in the amount set forth on Schedule 1 hereto (the "New Commitment") pursuant to Section 2.14(e) of the Credit Agreement. From and after the Effective Date (as defined below), the New Lender will be a Lender under the Credit Agreement with respect to the New Commitment.

2. The Administrative Agent (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement; and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Subsidiaries or any other obligor or the performance or observance by the Borrower, any of its Subsidiaries or any other obligor of any of their respective obligations under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto.

3. The New Lender (a) represents and warrants that it is legally authorized to enter into this New Lender Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.1 of the Credit Agreement (or, if no such financial statements have been delivered, copies of the financial statements delivered pursuant to Section 3.4 thereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this New Lender Supplement; (c) agrees that it will, independently and without reliance upon 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 the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise

such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. The effective date of this New Lender Supplement shall be the Effective Date of the New Commitment described in Schedule 1 hereto (the "Effective Date"). Following the execution of this New Lender Supplement by each of the New Lender and the Borrower, it will be delivered to the Administrative Agent for acceptance and recording by it pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the New Commitment (including payments of principal, interest, fees and other amounts) to the New Lender for amounts which have accrued on and subsequent to the Effective Date.

6. From and after the Effective Date, the New Lender shall be a party to the Credit Agreement and, to the extent provided in this New Lender Supplement, have the rights and obligations of a Lender thereunder and shall be bound by the provisions thereof.

7. This New Lender Supplement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this New Lender Supplement to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to New Lender Supplement

Name of New Lender: __

Effective Date of New Commitment: __

Principal Amount of New Commitment: $__

[NAME OF NEW LENDER]	WYNDHAM WORLDWIDE CORPORATION
By:______________________________ Name: Title:	By:____________________________ Name: Title:

Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By:______________________________

Name:
Title:

EXHIBIT F

FORM OF
COMMITMENT INCREASE SUPPLEMENT

Dated: ______________ __, 20__

Reference is made to the Credit Agreement, dated as of November 21, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent named therein, and Bank of America, N.A., as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Increasing Lender identified on Schedule 1 hereto (the "Increasing Lender"), the Administrative Agent and the Borrower agree as follows:

1. The Increasing Lender hereby irrevocably increases its Revolving Commitment to the Borrower by the amount set forth on Schedule 1 hereto (the "Increased Commitment") pursuant to Section 2.14(f) of the Credit Agreement. From and after the Effective Date (as defined below), the Increasing Lender will be a Lender under the Credit Agreement with respect to the Increased Commitment as well as its existing Revolving Commitment under the Credit Agreement.

2. The Administrative Agent (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement; and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Subsidiaries or any other obligor or the performance or observance by the Borrower, any of its Subsidiaries or any other obligor of any of their respective obligations under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto.

3. The Increasing Lender (a) represents and warrants that it is legally authorized to enter into this Commitment Increase Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.1 of the Credit Agreement (or, if no such financial statements have been delivered, copies of the financial statements delivered pursuant to Section 3.4 thereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Commitment Increase Supplement; (c) agrees that it will, independently and without reliance upon 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 the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. The effective date of this Commitment Increase Supplement shall be the Effective Date of the Increased Commitment described in Schedule 1 hereto (the "Effective Date"). Following the execution of this Commitment Increase Supplement by each of the Increasing Lender and the Borrower, it will be delivered to the Administrative Agent for acceptance and recording by it pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Increased Commitment (including payments of principal, interest, fees and other amounts) to the Increasing Lender for amounts which have accrued on and subsequent to the Effective Date.

6. From and after the Effective Date, the Increasing Lender shall be a party to the Credit Agreement and, to the extent provided in this Commitment Increase Supplement, have the rights and obligations of a Lender thereunder and shall be bound by the provisions thereof.

7. This Commitment Increase Supplement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Commitment Increase Supplement to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to Commitment Increase Supplement

Name of Increasing Lender: __

Effective Date of Increased Commitment: __

Principal Amount of Increased Commitment:	Total Amount of Revolving Commitment of Increasing Lender (including Increased Commitment):
$____________________	$____________________

[NAME OF INCREASING LENDER]

By:________________________________
Name:
Title:

WYNDHAM WORLDWIDE CORPORATION

By:________________________________
Name:
Title:

Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By:________________________________
Name:
Title:

[7]. Date to be provided by the Administrative Agent upon its execution.

EXHIBIT G

FORM OF
SOLVENCY CERTIFICATE

I, the undersigned, [chief executive officer, president, chief accounting officer, chief financial officer, treasurer or assistant treasurer] of WYNDHAM WORLDWIDE CORPORATION, a Delaware corporation (the "Borrower"), DO HEREBY CERTIFY in my capacity as a Responsible Officer of the Borrower, and not in my individual capacity, on behalf of the Loan Parties that:

1. This certificate is furnished pursuant to Section 4.1(m) of the Credit Agreement, dated as of November 21, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent named therein, and Bank of America, N.A., as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

2. On the Closing Date, immediately after giving effect to the extensions of credit, if any, to occur on the Closing Date, (i) the sum of the debt (including contingent liabilities) of the Borrower and its Subsidiaries, taken as a whole, does not exceed the present fair saleable value of the present assets of the Borrower and its Subsidiaries, taken as a whole; (ii) the capital of the Borrower and its Subsidiaries, taken as a whole, is not unreasonably small in relation to the business of the Borrower or its Subsidiaries, taken as a whole, contemplated as of the date hereof; and (iii) the Borrower and its Subsidiaries, taken as a whole, do not intend to incur, or believe that they will incur, debts including current obligations beyond their ability to pay such debt as they mature in the ordinary course of business. For the purposes hereof, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

[Signature Page Follows]

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of [_____], 2017.

WYNDHAM WORLDWIDE CORPORATION

By: ______

Name:
Title:

EXHIBIT H-1

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of November 21, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent named therein, and Bank of America, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.23(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on a duly executed IRS Form W-8BEN-E (or W-8BEN, as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: ________________________

Name: ________________________

Title: ________________________

Date: ________ __, 20___

EXHIBIT H-2

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of November 21, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent named therein, and Bank of America, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.23(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on a duly executed IRS Form W-8BEN-E (or W-8BEN, as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: ________________________

Name: ________________________

Title: ________________________

Date: ________ __, 20___

EXHIBIT H-3

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of November 21, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent named therein, and Bank of America, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.23(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) it is not and none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) a duly executed IRS Form W-8BEN-E (or W-8BEN, as applicable) or (ii) a duly executed IRS Form W-8IMY accompanied by a duly executed IRS Form W-8BEN-E (or W-8BEN, as applicable) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: ________________________

Name: ________________________

Title: ________________________

Date: ________ __, 20___

EXHIBIT H-4

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of November 21, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents and the Syndication Agent named therein, and Bank of America, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.23(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Fundamental Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) it is not and none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) a duly executed IRS Form W-8BEN-E (or W-8BEN, as applicable) or (ii) a duly executed IRS Form W-8IMY accompanied by a duly executed IRS Form W-8BEN-E (or W-8BEN, as applicable) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: ________________________

Name: ________________________

Title: ________________________

Date: ________ __, 20___

Exhibit 10.13

INDENTURE AND SERVICING AGREEMENT

Dated as of October 5, 2017

by and among

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING III, 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

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS 3
Section 1.1 Definitions 3
Section 1.2 Other Definitional Provisions 32
Section 1.3 Intent and Interpretation of Documents 33
ARTICLE II THE NOTES 34
Section 2.1 Form Generally 34
Section 2.2 Denominations 34
Section 2.3 Execution, Authentication and Delivery 34
Section 2.4 Authentication Agent 35
Section 2.5 Registration of Transfer and Exchange of Series 2017-A Notes 36
Section 2.6 Mutilated, Destroyed, Lost or Stolen Series 2017-A Notes 37
Section 2.7 Persons Deemed Owners 38
Section 2.8 Appointment of Paying Agent 39
Section 2.9 Cancellation 39
Section 2.10 Confidentiality 39
Section 2.11 144A Information 40
Section 2.12 Authorized Amount; Conditions to Initial Issuance 40
Section 2.13 Principal, Interest and NPA Costs 40
Section 2.14 Nonrecourse to the Issuer 41
Section 2.15 Dating of the Series 2017-A Notes 41
Section 2.16 Payment on the Series 2017-A Notes; Withholding Tax 42
Section 2.17 Increases in Notes Principal Amount 43
Section 2.18 Reduction of the Facility Limit 43
Section 2.19 Optional Repayment 43
Section 2.20 Transfer Restrictions 44
Section 2.21 Tax Treatment 46
Section 2.22 Liquidity Termination Dates 46
ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE ISSUER 47
Section 3.1 Representations and Warranties Regarding the Issuer 47
Section 3.2 Representations and Warranties Regarding the Loan Files 51
Section 3.3 Rights of Obligors and Release of Loan Files 51
Section 3.4 Assignment of Representations and Warranties 52
Section 3.5 [Reserved] 52
Section 3.6 Addition of Pledged Loans Acquired from Approved Sellers **52**
ARTICLE IV PAYMENTS, SECURITY AND ALLOCATIONS 54
Section 4.1 Priority of Payments 54
Section 4.2 Information Provided to Trustee 55
Section 4.3 Payments 55

TABLE OF CONTENTS (CONT'D)

Page

Section 4.4 Collection Account 55
Section 4.5 Control Account 57
Section 4.6 Reserve Account 57
Section 4.7 Hedge Agreement 59
Section 4.8 Replacement of Hedge Provider 60

ARTICLE V ADDITION, RELEASE AND SUBSTITUTION OF LOANS 60
Section 5.1 Addition of the Collateral 60
Section 5.2 Release of Defective Loans 61
Section 5.3 Release of Defaulted Loans 63
Section 5.4 Release Upon Optional Prepayments 63
Section 5.5 Release Upon Issuance of Exchange Notes 64
Section 5.6 Release Upon Payment in Full 65

ARTICLE VI ADDITIONAL COVENANTS OF ISSUER 65
Section 6.1 Affirmative Covenants 65
Section 6.2 Negative Covenants of the Issuer 73

ARTICLE VII SERVICING OF PLEDGED LOANS 75
Section 7.1 Responsibility for Loan Administration 75
Section 7.2 Standard of Care 76
Section 7.3 Records 76
Section 7.4 Series 2017-A Loan Schedule 76
Section 7.5 Enforcement 76
Section 7.6 Trustee and Collateral Agent to Cooperate 77
Section 7.7 Other Matters Relating to the Servicer 77
Section 7.8 Servicing Compensation 78
Section 7.9 Costs and Expenses 78
Section 7.10 Representations and Warranties of the Servicer 78
Section 7.11 Additional Covenants of the Servicer 79
Section 7.12 Servicer not to Resign 82
Section 7.13 Merger or Consolidation of, or Assumption of the Obligations of Servicer 82
Section 7.14 Examination of Records 83
Section 7.15 Delegation of Duties; Subservicing 83
Section 7.16 Servicer Advances 83
Section 7.17 Fair Market Value of Defaulted Loans 84

ARTICLE VIII REPORTS 84
Section 8.1 Monthly Report to Trustee 84
Section 8.2 Monthly Servicing Reports 84
Section 8.3 Other Data 84
Section 8.4 Annual Servicer’s Certificate 85
Section 8.5 Notices to WCF 85
Section 8.6 Delivery of Reports to Deal Agent 85
Section 8.7 Tax Reporting 85

TABLE OF CONTENTS (CONT'D)

Page

ARTICLE IX INDEMNITIES 85

Section 9.1 Liabilities to Obligors 85
Section 9.2 Tax Indemnification 85
Section 9.3 Servicer's Indemnities 86
Section 9.4 Operation of Indemnities 86

ARTICLE X AMORTIZATION EVENTS 86

Section 10.1 Amortization Events 86

ARTICLE XI EVENTS OF DEFAULT 88

Section 11.1 Events of Default 88
Section 11.2 Acceleration of Maturity; Rescission and Annulment 89
Section 11.3 Collection of Indebtedness and Suits for Enforcement by Trustee 90
Section 11.4 Trustee May File Proofs of Claim 91
Section 11.5 Remedies 91
Section 11.6 Application of Monies Collected During Event of Default 92
Section 11.7 Limitation on Suits by Individual Noteholders 93
Section 11.8 Unconditional Rights of Noteholders to Receive Principal and Interest 94
Section 11.9 Restoration of Rights and Remedies 94
Section 11.10 Waiver of Event of Default 94
Section 11.11 Waiver of Stay or Extension Laws 94
Section 11.12 Sale of the Collateral 94
Section 11.13 Action on Series 2017-A Notes 95
Section 11.14 Control by Noteholders 95
Section 11.15 Sale of Defaulted Loans After an Event of Default 95

ARTICLE XII SERVICER DEFAULTS 96

Section 12.1 Servicer Defaults 96
Section 12.2 Appointment of Successor 97
Section 12.3 Notification to Noteholders 98
Section 12.4 Waiver of Past Defaults 98
Section 12.5 Termination of Servicer's Authority 99
Section 12.6 Matters Related to Successor Servicer 99

ARTICLE XIII THE TRUSTEE; THE COLLATERAL AGENT; THE CUSTODIAN 100

Section 13.1 Duties of Trustee 100
Section 13.2 Certain Matters Affecting the Trustee 102
Section 13.3 Trustee Not Liable for Recitals in Series 2017-A Notes or Use of Proceeds of Series 2017-A Notes 104
Section 13.4 Trustee May Own Series 2017-A Notes; Trustee in its Individual Capacity 104
Section 13.5 Trustee's Fees and Expenses; Indemnification 104
Section 13.6 Eligibility Requirements for Trustee 105

TABLE OF CONTENTS (CONT'D)

Page

Section 13.7 Resignation or Removal of Trustee 105
Section 13.8 Successor Trustee 106
Section 13.9 Merger or Consolidation of Trustee 107
Section 13.10 Appointment of Co-Trustee or Separate Trustee 107
Section 13.11 Trustee May Enforce Claims Without Possession of Series 2017-A Notes 108
Section 13.12 Suits for Enforcement 108
Section 13.13 Rights of Noteholders to Direct the Trustee 108
Section 13.14 Representations and Warranties of the Trustee 108
Section 13.15 Maintenance of Office or Agency 109
Section 13.16 No Assessment 109
Section 13.17 UCC Filings and Title Certificates 109
Section 13.18 Replacement of the Custodian 109

ARTICLE XIV TERMINATION 109
Section 14.1 Termination of Agreement 109
Section 14.2 Final Payment 110
Section 14.3 Release of Collateral 110
Section 14.4 Escheat of Funds. 110

ARTICLE XV MISCELLANEOUS PROVISIONS 110
Section 15.1 Amendment 110
Section 15.2 Limitation on Rights of the Noteholders 112
Section 15.3 Governing Law 113
Section 15.4 Notices 113
Section 15.5 Severability of Provisions 115
Section 15.6 Assignment 115
Section 15.7 [Reserved] 115
Section 15.8 Further Assurances 115
Section 15.9 No Waiver; Cumulative Remedies 115
Section 15.10 Counterparts 115
Section 15.11 Third-Party Beneficiaries 115
Section 15.12 Actions by the Noteholders 115
Section 15.13 Merger and Integration 116
Section 15.14 No Bankruptcy Petition 116
Section 15.15 Headings 116
Section 15.16 Satisfaction of Rating Agency Condition 116
Section 15.17 Reserved 116
. 116
Section 15.18 Changes in the Hedge Agreement 116
Section 15.19 Discretion with Respect to Derivative Financial Instruments 116
Section 15.20 Patriot Act. 117

SCHEDULE 1 – TRUSTEE FEE LETTER

TABLE OF CONTENTS (CONT'D)

Page

SCHEDULE 2 – PURCHASER INVESTED AMOUNT

EXHIBIT A – FORM OF SUPPLEMENTAL GRANT

EXHIBIT B – FORM OF SERIES 2017-A NOTE

EXHIBIT C – FORM OF MONTHLY SERVICING REPORT

EXHIBIT D – FORM OF INDENTURE AND SERVICING AGREEMENT FOR THE EXCHANGE NOTES

EXHIBIT E – CONTROL ACCOUNT INFORMATION

EXHIBIT F – FORM OF NOTE PURCHASE AGREEMENT WITH RESPECT TO THE EXCHANGE NOTES

EXHIBIT G – SERVICER CERTIFICATE PURSUANT TO SECTION 3.3(C)

EXHIBIT H – EXCHANGE NOTES INDENTURE POOL CRITERIA

EXHIBIT I – HEDGE AGREEMENT

EXHIBIT J – FORM OF SALE AND ASSIGNMENT AGREEMENT

EXHIBIT K – FORM OF APPROVED LOAN PERFORMANCE GUARANTY

INDENTURE AND SERVICING AGREEMENT

THIS INDENTURE AND SERVICING AGREEMENT, dated as of October 5, 2017 (as amended, supplemented, amended and restated or otherwise modified from time to time in accordance with the terms hereof, this "Indenture") is by and among **SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING III, 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 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 Series 2017-A 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.

GRANTING CLAUSES

The Issuer hereby Grants to the Collateral Agent, for the benefit and security of the Trustee, acting on behalf of the Noteholders, 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 the Control 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 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 Depositor Purchase Agreement, each Seller Purchase Agreement and each Approved Sale Agreement including, without limitation, all rights to enforce payment obligations of the Issuer, the Depositor, each Seller and each Approved Seller and all rights to collect all monies due and to become due to the Issuer from the Depositor, any Seller or any Approved Seller under or in connection with the Depositor Purchase Agreement, any Seller Purchase Agreement or any Approved Sale Agreement (including without limitation all interest and finance charges for late payments accrued thereon and proceeds of any liquidation or sale of the Pledged Loans or resale of Timeshare Properties and all other Collections on the Pledged Loans) and all other rights of the Issuer to enforce the Depositor Purchase Agreement, each Seller Purchase Agreement and each Approved Sale Agreement;

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

(h) 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;

(i) 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;

(j) all proceeds of the foregoing property described in clauses (a) through (i) 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 property described in clauses (a) through (i), and including all payments under insurance policies (whether or not a Seller, an Approved Seller, 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 such property; and

(k) 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 Series 2017-A Notes equally and ratably without prejudice, priority or distinction among any

Series 2017-A 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 Series 2017-A Notes in accordance with their respective terms, (ii) the payment of all other sums payable by the Issuer under this Indenture, the Series 2017-A Notes and the Note Purchase Agreement and (iii) compliance by the Issuer with the provisions of this Indenture and the Series 2017-A Notes.

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 may be adequately and effectively protected. This Indenture is a security agreement within the meaning of the UCC.

Each of the Trustee and the Collateral Agent acknowledges that it has entered into the Collateral Agency Agreement pursuant to which the Collateral Agent will act as agent for the benefit of the Trustee and the Noteholders for the purpose of maintaining a security interest in the Collateral. The Noteholders are bound by the terms of the Collateral Agency Agreement by the Trustee's execution thereof on their behalf.

ARTICLE I

DEFINITIONS

Section 1.1 Definitions

Whenever used in this Indenture, 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.

"Account" shall mean either of the Collection Account or the Reserve Account and "Accounts" shall mean both of such accounts.

"Accrual Period" shall mean, with respect to 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 November 2017 Payment Date.

"Addition Date" shall mean each date subsequent to the Closing Date on which a security interest is granted in Loans to secure the Series 2017-A Notes.

"Additional Pledged Loans" shall mean Loans (including Qualified Substitute Loans) pledged under this Indenture and a Supplemental Grant subsequent to the Initial Advance Date.

"Adjusted Loan Balance" shall mean, on any date, the Aggregate Loan Balance on such date minus the sum of (i) the Loan Balances of any Pledged Loans that are Defaulted Loans on the last day of the immediately preceding Due Period, (ii) the Loan Balances of any Pledged

Loans that are Delinquent Loans on the last day of the immediately preceding Due Period, (iii) the Loan Balances of any Pledged Loans that are Defective Loans on the last day of the immediately preceding Due Period and (iv) the Loan Balances of any Pledged Loans that are Impermissibly Modified Loans on the last day of the immediately preceding Due Period.

"Administrative Services Agreement" shall mean, either (i) the Depositor Administrative Services Agreement, dated as of August 29, 2002, by and between the Depositor and the Administrator, or (ii) the Issuer Administrative Services Agreement, dated as of October 5, 2017, 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 either Administrative Services Agreement, WCF, in its role as administrator with respect to the Depositor or the Issuer, respectively, or any other entity which becomes the Administrator under the terms of the respective Administrative Services Agreements.

"Advance Rate" shall mean (i) as of any date on which the Post-Spin Test is satisfied, the rate for such date set forth in the table below under the column titled "Pass" and (ii) as of any date on which the Post-Spin Test is not satisfied, the rate set forth in the table below under the column titled "Fail;" provided that if as of any Payment Date the Three Month Rolling Average Loss to Liquidation Ratio exceeds 16.5%, then from and including such Payment Date to but excluding the third consecutive subsequent Payment Date for which the Three Month Rolling Average Loss to Liquidation Ratio is equal to or less than 16.5%, the Advance Rate shall be the rate determined in accordance with the table below minus 450 basis points.

	Post-Spin Test	
Payment Date	**Pass**	**Fail**
Prior to the October 2018 Payment Date	85.00%	75.00%
On and after the October 2018 Payment Date and prior to the November 2018 Payment Date	82.50%	72.50%
On and after the November 2018 Payment Date and prior to the December 2018 Payment Date	80.00%	70.00%
On and after the December 2018 Payment Date	75.00%	65.00%

"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"

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.

"Aggregate Loan Balance" shall mean, on any date, the excess of (i) the sum of the Loan Balances for all Pledged Loans on such date over (ii) the sum of (x) the FICO Score of 7-Year Loans Excess Amount on such day and (y) the FICO Score of 10-Year Loans Excess Amount on such day.

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

"Amortization Event" shall have the meaning specified in Section 10.1.

"Approved Loan" shall mean a Loan sold to the Depositor by an Approved Seller pursuant to an Approved Sale Agreement.

"Approved Loan Performance Guaranty" shall mean an Approved Loan Performance Guaranty, substantially in the form and substance of Exhibit K, given by Wyndham Worldwide in favor of the Issuer, the Depositor and the Trustee in connection with the sale of Loans to the Depositor by an Approved Seller pursuant to an Approved Sale Agreement.

"Approved Sale Agreement" shall mean a Sale and Assignment Agreement, substantially in the form and substance of Exhibit J, entered into by an Approved Seller and the Depositor in accordance to with the terms of Section 3.6 pursuant to which the Depositor purchases Loans from the Approved Seller for purposes of sale by the Depositor to the Issuer pursuant to the Depositor Purchase Agreement.

"Approved Seller" shall mean a special purpose, bankruptcy remote, wholly-owned subsidiary of the Depositor which owns a portfolio of Loans that were pledged as collateral for one or more series of promissory notes issued by such subsidiary.

"Authentication Agent" shall mean a Person designated by the Trustee to authenticate Series 2017-A 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 Collections and other payments (including prepayments related to Timeshare Upgrades and all other prepayments) 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 after the immediately preceding Payment Date (or, in the case of the initial Payment Date, the Initial Advance Date) and on or prior to such Payment Date as the Release Price paid to the Trustee for the release from the lien of this Indenture 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 by the Trustee during the related Due Period; (v) any amounts received after the immediately preceding Payment Date (or, in the case of the initial Payment Date, the Initial Advance Date) and on or prior to such Payment Date by the Trustee as the Release Price or Substitution Adjustment Amount in connection with the release of a Defective Loan; (vi) any Hedge Receipts received by the Trustee on such Payment Date; (vii) all other proceeds of the Collateral received by the Trustee or the Servicer during the related Due Period; and (viii) any amount withdrawn from the Reserve Account under Section 4.6(b) and deposited into the Collection Account to be included as Available Funds on or in respect of such Payment Date.

"Available Funds Shortfall" shall have the meaning specified in Section 4.6(b).

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

"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 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.

"Borrowing Base" shall mean, the product of

(i) the remainder of (A) the Adjusted Loan Balance at such time minus (B) the Excess Concentration Amount at such time and

(ii) the Advance Rate as of such date.

"Borrowing Base Amortization Trigger Amount" shall mean, on any Payment Date, the Borrowing Base on such date; provided that on any Payment Date on which the Advance Rate is decreased pursuant to the proviso to the definition thereof (and with respect to which the Advance Rate was not so decreased on the immediately preceding Payment Date), the Borrowing Base Amortization Trigger Amount shall equal the Borrowing Base on such date calculated without giving effect to the decrease in the Advance Rate pursuant to such proviso in the definition of Advance Rate.

"Borrowing Base Shortfall" shall mean, on any date, the amount, if any, by which the Notes Principal Amount (without giving effect to any Increase on such date) exceeds the Borrowing Base on such date (without giving effect to any transfers of Additional Pledged Loans to the Collateral Agent on such date).

"Business Day" 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, 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.

"Capped Monthly Trustee Expenses" shall mean, for any Payment Date, the lesser of (i) the sum of the unreimbursed reasonable expenses incurred by, and indemnities due to, the Trustee under each of the Facility Documents to which the Trustee is a party and (ii) the excess, if any, of (a) $10,000 over (b) the amount of all payments made pursuant to clause (y) of priority FIRST of Section 4.1 during the calendar quarter in which such Payment Date occurs (it being understood that the Capped Monthly Trustee Expenses shall not exceed $40,000 in any calendar year); provided, however, that if an Event of Default has occurred and the Series 2017-A Notes have been accelerated pursuant to Section 11.2 or any portion of the Collateral has been sold on or prior to such Payment Date, the Capped Monthly Trustee Expenses shall equal the sum of the unreimbursed reasonable expenses incurred by, and indemnities due to, the Trustee under each of the Facility Documents to which the Trustee is a party.

"Capped Successor Servicer Costs" shall mean, for any Payment Date, the lesser of (i) the unreimbursed costs and expenses incurred by the Trustee in connection with replacing the Servicer and (ii) the lesser of (A) the excess, if any, of (1) $100,000 over (2) the amount of all payments made pursuant to clause (z) of priority FIRST of Section 4.1 in the calendar quarter in which such Payment Date occurs and (B) the excess, if any, of (1) $340,000 over (2) the amount of all payments made pursuant to clause (z) of priority FIRST of Section 4.1 since the Closing Date.

"Carrying Costs" shall have the meaning assigned to that term in the Note Purchase Agreement.

"Change of Control" shall mean that any of the Issuer, the Depositor, or any Seller of Pledged Loans ceases to be wholly-owned, directly or indirectly, by Wyndham Worldwide.

"Closing Date" shall mean October 5, 2017.

"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 to date, including as amended by the Forty-Fifth Amendment to the Collateral Agency Agreement

dated as of October 5, 2017, by and among the Collateral Agent, the Trustee and other secured parties, as such Collateral Agency Agreement may be further 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 Indenture and the Collateral Agency Agreement or any successor collateral agent appointed under the Collateral Agency Agreement.

"Collateral Seller Purchase Agreement" shall mean the Master Loan Purchase Agreement among WCF, as Seller, WVRI, WRDC and the other Originators named therein and the Depositor, as supplemented by any supplement thereto other than the Series 2017-A Supplement, providing for the sale of Loans to the Depositor.

"Collection Account" shall have the meaning specified in Section 4.4.

"Collections" shall mean, with respect to any Pledged Loan, all funds, collections and other proceeds of such Pledged Loan after the Cut-Off Date with respect to such Pledged Loan, including without limitation (i) all Scheduled Payments or recoveries (subject to Section 7.5(g)) made in the form of money, checks and like items to, or a wire transfer or an automated clearinghouse transfer received in, the Control Account or otherwise received by the Issuer, the Servicer or the Trustee 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 Timeshare Property 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 Timeshare Property.

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

"Contingent Subordinated Notes Interest" shall mean, for each Series 2017-A Note on any Payment Date, the excess of (i) the Notes Interest for such Series 2017-A Note on such Payment Date over (ii) the Senior Notes Interest for such Series 2017-A Note on such Payment Date.

"Contingent Subordinated Overdue Interest" shall mean, as of any Payment Date, the amount, if any, by which the aggregate Contingent Subordinated Notes Interest in respect of all Series 2017-A Notes on all prior Payment Dates exceeds the amount paid to Noteholders on such prior Payment Dates pursuant to clause EIGHTH of Section 4.1, together with interest thereon for each Accrual Period at the rate of the Bank Base Rate plus 1.5%.

"Contract Rate" shall mean, with respect to any 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).

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

"Control Account Bank" shall mean the commercial bank holding a Control Account. On the Closing Date, Bank of America, N.A. is the only Control Account Bank.

"Control Agreement" shall mean a control agreement by and among the Issuer, the Trustee, the Collateral Agent and the Control Account Bank, which agreement sets forth the rights of the Issuer, the Trustee, the Collateral Agent and the Control Account Bank, with respect to the disposition and application of the Collections deposited in the Control Account, including without limitation the right of the Trustee to direct the Control Account Bank to remit all Collections directly to the Trustee.

"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 appointment of Wells Fargo Bank, National Association as Trustee hereunder is located at 600 S. 4th Street MAC N9300-061, 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 Credit Standards and Collection Policies of WCF and WVRI, or of WRDC, as attached to the applicable Seller Purchase Agreement and as amended from time to time in accordance with the applicable Seller Purchase Agreement and the restrictions of Section 6.2(c).

"Custodial Agreement" shall mean the Forty-Second Amended and Restated Custodial Agreement, dated as of October 5, 2017, by and among the Issuer, the Depositor, WVRI, WCF, WRDC, U.S. Bank National Association, as Custodian, the Trustee and the Collateral Agent and other issuers, trustees and other parties described therein as the same may be further amended, supplemented or otherwise modified from time to time hereafter in accordance with its terms.

"Custodian" shall mean, shall mean U.S. Bank National Association in its capacity as custodian under the Custodial Agreement, or any successor custodian appointed 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 Seller Purchase Agreement under which such Loan was transferred from a Seller to the Depositor.

"Cut-Off Date" shall mean (a) with respect to the Initial Pledged Loans, the Initial Cut-Off Date, and (b) with respect to any Additional Pledged Loan, such date as is set forth in the Supplemental Grant.

"Deal Agent" shall have the meaning assigned to that term in the Note Purchase Agreement.

"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 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.

"Default Percentage" shall mean for any Payment Date, a fraction (i) the numerator of which is the sum of (x) the aggregate outstanding Loan Balance on such date of all Pledged Loans which became Defaulted Loans during the related Due Period and (y) the aggregate outstanding Loan Balance on such date of all Pledged Loans which were repurchased or substituted by the Servicer or the Seller during the related Due Period and that were Delinquent Loans at the time of such repurchase or substitution and (ii) the denominator of which is the Aggregate Loan Balance on such Payment Date (without giving effect to any transfers of Additional Pledged Loans to the Collateral Agent following the last day of the related Due Period).

"Defaulted Loan" shall mean a Pledged Loan (i) with any Scheduled Payment or portion of a Scheduled Payment delinquent more than 90 days, (ii) for which the Servicer shall have determined in good faith that the related Obligor will not resume making Scheduled Payments, (iii) for which the related Obligor shall have become the subject of a proceeding under a Debtor Relief Law or (iv) for which cancellation or foreclosure actions have been commenced.

"Defective Loan" shall mean (i) any Pledged Loan other than an Approved Loan which is a Defective Loan as such term is defined in the Seller Purchase Agreement under which such Loan was sold to the Depositor, (ii) any Pledged Loan which is a Missing Documentation Loan, or (iii) any Pledged Loan that is an Approved Loan and which is a Defective Loan as such term is defined in the Approved Sale Agreement under which such Loan was sold to the Depositor.

"Delinquency Ratio" shall mean for any Payment Date, a fraction (i) the numerator of which is the aggregate outstanding Loan Balance on such date of all Pledged Loans which are Delinquent Loans as of the last day of the related Due Period and (ii) the denominator of which is the Aggregate Loan Balance on such Payment Date (without giving effect to any transfers of Additional Pledged Loans to the Collateral Agent following the last day of the related Due Period).

"Delinquent Loan" shall mean a 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; .

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

"Depositor Purchase Agreement" shall mean the Purchase Agreement, dated as of October 5, 2017, by and between the Depositor and the Issuer as the same may be further amended, supplemented, amended and restated or otherwise modified from time to time hereafter in accordance with its terms.

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

"Documents in Transit Excess Amount" shall mean, on any date, the amount by which (i) the sum of the Loan Balances on such date for all Pledged Loans which are Documents in Transit Loans on the last day of the immediately preceding Due Period exceeds (ii) fifteen percent (15%) of the Adjusted Loan Balance on such date.

"Documents in Transit Loan" shall mean any 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 or Approved Seller thereof to the Custodian.

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

"Due Period" shall mean, for the Payment Date occurring in November 2017, the two full calendar months preceding such Payment Date and, for each other Payment Date, the immediately preceding calendar month. For purposes of this Indenture, the last day of the Due Period immediately preceding the initial Due Period shall be deemed to be August 31, 2017.

"Eligible Account" shall mean 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 of S&P and Moody's in one of its generic rating categories which signifies investment grade.

"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.

"Eligible Loan" shall (i) with respect to any Pledged Loan that is not an Approved Loan, have the meaning assigned to that term in the Seller Purchase Agreement under which such Loan was sold to the Depositor, or (ii) with respect to any Pledged Loan that is an Approved Loan, have the meaning assigned to that term in the Approved Sale Agreement under which such Loan was sold to the Depositor.

"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.

"Event of Default" shall mean the events designated as Events of Default under Section 11.1 of this Indenture.

"Excess Concentration Amount" shall mean, on any date, an amount equal to the sum of (i) the Non-US Excess Amount, (ii) the Large Loans Excess Amount, (iii) the State Concentration Excess Amount, (iv) the Documents in Transit Excess Amount, (v) the Extended Term Excess Amount, (vi) the Presidential Reserve Loan Excess Amount, (vii) the Non-WorldMark Loan Excess Amount, (viii) the WorldMark Loan FICO Score 650 Excess Amount, (ix) the WorldMark Loan FICO Score 700 Excess Amount, (x) the WorldMark Loan FICO Score 750 Excess Amount, (xi) the WorldMark Loan FICO Score 800 Excess Amount, (xii) the Wyndham Loan FICO Score 650 Excess Amount, (xiii) the Wyndham Loan FICO Score 700 Excess Amount, (xiv) the Wyndham Loan FICO Score 750 Excess Amount and (xv) the Wyndham Loan FICO Score 800 Excess Amount.

"Exchange Notes" shall mean notes issued pursuant to an Exchange Notes Indenture in exchange for Series 2017-A Notes then held by Extending Noteholders.

"Exchange Notes Indenture" shall have the meaning specified in Section 2.22(a).

"Existing Seller Purchase Agreement" shall have the meaning specified in the definition of Seller Purchase Agreements.

"Extended Portion" shall have the meaning assigned to such term in the Note Purchase Agreement.

"Extended Term Excess Amount" shall mean, on any date, the amount, if any, by which (i) the sum of the Loan Balances on such date for all Pledged Loans which have an original term greater than 120 months as of the last day of the immediately preceding Due Period exceeds (ii) ten percent (10%) of the Adjusted Loan Balance on such date.

“Extending Noteholder” shall mean a Noteholder which is either (x) the Funding Agent for a Purchaser Group that is an Extending Purchaser or (y) a Non-Conduit Committed Purchaser that is an Extending Purchaser.

“Extending Noteholders’ Percentage” shall mean, as of any Liquidity Termination Date, the percentage equivalent of a fraction, (i) the numerator of which is equal to the aggregate principal amount of the Series 2017-A Notes held by each Extending Noteholder (or, in the case of any Extending Noteholder which is extending its Liquidity Termination Date for an amount that is less than its entire Purchaser Commitment Amount, the Extended Portion with respect to such Extending Noteholder) on such date and (ii) the denominator of which is equal to the Notes Principal Amount on such date.

“Extending Purchaser” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Facility Documents” shall mean, collectively, this Indenture, each Seller Purchase Agreement, each Approved Sale Agreement, each Approved Sale Performance Guaranty, the Depositor Purchase Agreement, the Custodial Agreement, the Control Agreement, the Title Clearing Agreements, the Loan Conveyance Documents, the Collateral Agency Agreement, the Administrative Services Agreements, the Tax Sharing Agreement, the LLC Agreement, the Fee Letter, 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.

“Facility Limit” shall mean, as of any date, the sum of the Purchaser Commitment Amounts for each Purchaser Group and each Non-Conduit Committed Purchaser as of such date.

“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 WVRI, and certain of its subsidiaries and third party developers, as the same has been amended prior to the date of this Indenture and as the same may be further amended, supplemented or otherwise modified from time to time hereafter in accordance with its terms.

“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.

“FATCA” shall have the meaning set forth in Section 2.16(c).

“Fee Letter” shall have the meaning assigned to such term in the Note Purchase Agreement.

“FICO Score” shall mean a credit risk score for individuals calculated using the model developed by Fair, Isaac and Company. Any reference to FICO Score herein shall mean the

FICO Score attributed to an Obligor at the time of sale of an interest in a Timeshare Property to the Obligor.

"FICO Score of 7-Year Loans Excess Amount" shall mean, on any date, an amount equal to the sum of the Loan Balances on such date of each Loan which has been specified by the Servicer in writing to the Trustee and the Deal Agent pursuant to Section 7.11(n) to be excluded from the calculation of the Aggregate Loan Balance.

"FICO Score of 10-Year Loans Excess Amount" shall mean, on any date, an amount equal to the sum of the Loan Balances on such date of each Loan which has been specified by the Servicer in writing to the Trustee and the Deal Agent pursuant to Section 7.11(n) to be excluded from the calculation of the Aggregate Loan Balance.

"Financing Statements" shall mean, collectively, the UCC financing statements and the amendments thereto required to be filed 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.

"Fixed Week" shall have the meaning set forth in the applicable Seller Purchaser Agreement.

"Force Majeure Event" shall mean any default or delay caused by acts of God or government, including wars or military action, terrorism or threat of terrorism, riots or civil unrest, fires, storms, earthquakes, floods, power outages or other disasters of nature, provided such default or delay could not have been prevented by the taking of commercially reasonable precautions such as the implementation and execution of disaster recovery plans.

"Four Month Default Percentage" shall mean, for any Payment Date, the sum of the Default Percentages for such Payment Date and each of the three immediately preceding Payment Dates divided by four; (or, to the extent that less than four Payment Dates have occurred since the Closing Date, the sum of the Default Percentages for each such Payment Date divided by the number of such Payment Dates).

"Funding Agent" shall have the meaning assigned to that term in the Note Purchase Agreement.

"Funding Period" shall have the meaning assigned to such term in the Note Purchase Agreement.

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

"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 the 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 the 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 Timeshare Property for which construction on the related Resort has not yet begun or is subject to completion.

"Gross Excess Spread Percentage" shall mean for any Due Period the percentage equivalent of a fraction, the numerator of which is the product of (x) the Interest Collections for such Due Period, minus the sum of (i) the aggregate amount of Senior Notes Interest due on the Payment Date immediately following such Due Period and (ii) the Monthly Servicer Fee for such Due Period and (y) 360 divided by the actual number of days in such Due Period, and the denominator of which is the average daily Aggregate Loan Balance for such Due Period.

"Guarantor" shall mean with respect to any Hedge Provider, any entity which provides to the Issuer a written guaranty of the Hedge Provider's obligations under the Hedge Agreement; provided that such guaranty shall have been consented to by the Deal Agent (such consent not to be unreasonably withheld) and prior written notice of such guaranty shall have been delivered to each Rating Agency.

"Hedge Agreement" shall mean the ISDA Master Agreement (including the schedule thereto and any annexes thereunder), dated as of October 5, 2017, between the Issuer and the Hedge Provider party thereto, and the confirmations thereunder, as such Hedge Agreement may be amended, modified, replaced or assigned.

"Hedge Payment" shall mean with respect to any Payment Date that is not also a Note Increase 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 Hedge Payment shall be calculated by the Servicer and provided in writing to the Trustee and the Deal Agent.

"Hedge Provider" shall mean the initial counterparty under the Hedge Agreement, and any permitted Qualified Hedge Provider counterparty to the Hedge Agreement thereafter.

"Hedge Receipt" shall mean 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.

"Impermissibly Modified Loan" shall mean any Pledged Loan (i) which is a Timeshare Upgrade unless such Timeshare Upgrade was originated in compliance with Section 11(k) of the Existing Seller Purchase Agreement or the equivalent provision in any other Seller Purchase Agreement or (ii) the provisions of which have been amended, modified or waived other than in compliance with Sections 6.2(b) and 7.5(d).

"Increase" shall have the meaning set forth in the Note Purchase Agreement.

"Indenture" shall have the meaning set forth in the preamble.

"Initial Advance Date" shall mean the date on which the first advances are made on the Series 2017-A Notes pursuant to Sections 2.12 and 2.17 and the terms of the Note Purchase Agreement.

"Initial Cut-Off Date" shall mean the close of business on August 31, 2017.

"Initial Notes Principal Amount" shall have the meaning assigned to such term in the Note Purchase Agreement.

"Initial Pledged Loans" shall mean those Loans listed on the Series 2017-A Loan Schedule delivered to the Collateral Agent as of the Initial Advance Date.

"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.

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

“Interest Collections” shall mean, for any Due Period, all Collections received on the Pledged Loans during such Due Period that are allocable to interest on such Loans in accordance with the terms thereof.

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

“Issuer” shall mean Sierra Timeshare Conduit Receivables Funding III, LLC, a Delaware limited liability company, and its successors and assigns.

“Issuer Excluded Excess Amount” shall mean, on any date, the sum of (i) the FICO Score of 7-Year Loans Excess Amount and (ii) the FICO Score of 10-Year Loans Excess Amount, in each case on such date.

“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.

“Large Loans Excess Amount” shall mean, on any date, the sum of (a) the combined amount of the Loan Balances on such date of all Pledged Loans which have a Loan Balance on such date greater than $100,000 plus (b) the amount by which (i) the combined amount of the Loan Balances on such date of all Pledged Loans which have a Loan Balance on such date of $75,000 or more (but not more than $100,000) on such date exceeds (ii) (A) if the weighted average FICO Score for all Pledged Loans which have a Loan Balance on such date of $75,000 or more (but not more than $100,000) is 700 or greater, fifteen percent (15%) of the Adjusted Loan Balance on such date or (B) if the weighted average FICO Score for all Pledged Loans which have a Loan Balance on such date of $75,000 or more (but not more than $100,000) is less than 700, five percent (5.0%) of the Adjusted Loan Balance on such date.

“LIBOR Rate” shall mean USD-LIBOR-BBA as defined in the *2006 ISDA Definitions* published by the International Swaps and Derivatives Association, Inc., as amended from time to time, with the Designated Maturity as defined therein being one (1) month.

“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.

“Liquidity Agreement” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Liquidity Provider” shall have the meaning assigned thereto in the Note Purchase Agreement.

"Liquidity Termination Date" shall have the meaning assigned to such term in the Note Purchase Agreement.

"LLC Agreement" shall mean the Amended and Restated Limited Liability Company Agreement of the Issuer, dated as of October 5, 2017, as amended, supplemented, restated or otherwise modified from time to time.

"Loan" shall mean each loan, installment contract, contract for deed, 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 Timeshare Properties.

"Loan Balance" shall mean, on any date, with respect to any Pledged Loan, the outstanding principal balance due under or in respect of such Pledged Loan as of the last day of the immediately preceding Due Period.

"Loan Conveyance Documents" shall mean, with respect to any Pledged Loan, (a) the applicable Seller Purchase Agreement or assignment of additional loans under which such Pledged Loan was sold from a Seller to the Depositor, (b) if such Pledged Loan is an Approved Loan, the applicable Approved Sale Agreement under which such Pledged Loan was sold from an Approved Seller to the Depositor, (c) the Depositor Purchase Agreement or assignment of additional loans under which such Pledged Loan was transferred from the Depositor to the Issuer, (d) this Indenture or the applicable Supplemental Grant pursuant to which the Pledged Loan is Granted to the Collateral Agent for the benefit of the Trustee and (e) 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 Seller, from the Seller to the Depositor, from an Approved Seller to the Depositor, from the Depositor to the Issuer and from the Issuer to the Collateral Agent or the Trustee.

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

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

"Loss to Liquidation Ratio" shall mean for any Payment Date, a fraction (i) the numerator of which is the aggregate outstanding Loan Balance on such date of all Pledged Loans which became Defaulted Loans during the related Due Period and (ii) the denominator of which is the sum of (A) the aggregate outstanding Loan Balance on such date of all Pledged Loans which became Defaulted Loans during the related Due Period and (B) the excess of (x) all Collections and other payments (including prepayments related to Timeshare Upgrades and all other prepayments) of principal, interest and fees (which for the sake of clarity, excludes maintenance fees assessed with respect to POAs) over (y) all Interest Collections, in each case collected from or on behalf of the Obligors during the related Due Period on the Pledged Loans.

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

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

"Mandatory Redemption Date" shall mean the Payment Date falling in the twelfth calendar month after the calendar month in which the Liquidity Termination Date occurs.

"Market Servicing Rate" shall mean the rate calculated by the Trustee following a Servicer Default, 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 Servicers, 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.

"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 Indenture 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 or any of the other Pledged Assets.

"Maturity Date" shall mean the January 2035 Payment Date.

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

"Missing Documentation Loan" shall mean any 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 Seller Purchase Agreement, or if the documentation is not in the possession of the Custodian because it has not been delivered by the Seller thereof 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 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 on the first day of such Due Period (or portion thereof) or if a Successor Servicer has been appointed and accepted the appointment or if the Trustee is acting as 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 Aggregate Loan Balance on the first day of such Due Period.

"Monthly Servicing Report" shall mean each monthly report prepared by the Servicer as provided in Section 8.3.

"Monthly Trustee Fee" shall mean, in respect of any Due Period, the sum of $1,000.

"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.

"Net Liquidation Proceeds" shall mean, with respect to any Defaulted Loan which has not been released from the Lien of this Indenture, the net proceeds of the sale, liquidation or other disposition of the Defaulted Loan and/or related Pledged Assets.

"New York UCC" shall have the meaning set forth in Section 1.2(f).

"Nominee" shall have the meaning set forth in each Seller Purchase Agreement.

"Non-Conduit Committed Purchaser" shall have the meaning assigned to that term in the Note Purchase Agreement.

"Non-Purchased Default Percentage" shall mean, for any Payment Date, a fraction (i) the numerator of which is the aggregate outstanding Loan Balance on such date of all Pledged Loans which became Defaulted Loans during the related Due Period and were not subsequently repurchased by the Seller and (ii) the denominator of which is the Aggregate Loan Balance on such Payment Date (without giving effect to any transfers of additional Pledged Loans to the Collateral Agent following the last day of the related Due Period).

"Non-US Excess Amount" shall mean, on any date, the amount by which (i) the sum of the Loan Balances on such date for all Pledged Loans with Obligors with billing addresses not located in the United States of America as of the last day of the immediately preceding Due Period exceeds (ii) five percent (5%) of the Adjusted Loan Balance on such date.

"Non-WorldMark Loan Excess Amount" shall mean, on any date, the amount by which (i) the sum of the Loan Balances on such date for all Wyndham Loans exceeds (ii) 70% of the Adjusted Loan Balance on such date.

"Note Purchase Agreement" shall mean the Note Purchase Agreement, dated as of October 5, 2017, which relates to the sale of the Series 2017-A Notes by the Issuer, and that is by and among the Issuer, the Depositor, the Servicer, the Performance Guarantor, the Deal Agent, the Purchasers and the Funding Agents as amended, restated, supplemented or otherwise modified from time to time hereafter in accordance with its terms.

"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 Series 2017-A Note is registered in the Note Register.

"Notes Increase Date" shall mean with respect to an Increase, the Business Day on which the Increase occurs pursuant to Section 2.17.

"Notes Interest" shall mean for each Series 2017-A Note on any Payment Date, an amount equal to the Carrying Costs for the related Accrual Period with respect to a Non-Conduit Committed Purchaser that holds such Series 2017-A Note or the Purchaser Group in whose Funding Agent's name such Series 2017-A Note is registered, as applicable, as such amount is reported to the Trustee by the Deal Agent or the Servicer; plus the Purchaser Fees due on such Payment Date to such Noteholder under the terms of the Fee Letter as such amounts are reported to the Trustee by the Deal Agent or the Servicer.

"Notes Principal Amount" shall mean, as of the close of business on any date, the Initial Notes Principal Amount plus (i) the aggregate amount of all Increases made with respect to the Series 2017-A Notes pursuant to Section 2.17 less (ii) the aggregate amount of all principal payments made on the Series 2017-A Notes on or prior to such date less (iii) the principal amount of any Series 2017-A Notes cancelled pursuant to Section 2.22; provided that any principal payments required to be returned to the Issuer shall be reinstated to the Notes Principal Amount.

"Notice of Increase" shall mean the notice presented by the Issuer to the Deal Agent, Servicer and Trustee to request an Increase.

"NPA Costs" shall mean, as of any Payment Date, the Breakage and Other Costs as defined in the Note Purchase Agreement due and payable on such Payment Date.

"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 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.

"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 the Seller Purchase Agreement under which such Pledged Loan was transferred to the Depositor 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" shall mean Wyndham Worldwide.

"Paying Agent" shall mean the Trustee or any successor thereto, in its capacity as paying agent for the Series 2017-A Notes.

"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, commencing November 13, 2017.

"Performance Guaranty" shall mean that Performance Guaranty dated as of October 5, 2017 given by Wyndham Worldwide in favor of the Issuer, the Depositor and the Trustee.

"Performance Guarantor" shall mean Wyndham Worldwide.

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

“Pledged Asset” with respect to each Pledged Loan, shall mean the related “Assets” as defined in the Depositor Purchase Agreement.

“Pledged Loan” shall mean the Initial Pledged Loans and any Additional Pledged Loans, but excluding any Released Pledged Loans.

“POA” shall have the meaning assigned thereto in each Seller Purchase Agreement.

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

“Post-Spin Test” means a test that will be satisfied (i) on any date prior to the spin-off of Wyndham Worldwide’s hotel business and (ii) on any date following the spin-off of Wyndham Worldwide’s hotel business if the public rating of the senior unsecured debt of Wyndham Worldwide (or its successors or assigns) is higher than or equal to “BB-” by Standard and Poor’s and higher than or equal to “Ba3” by Moody’s.

“Potential Amortization Event” shall mean 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” shall mean 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” shall mean an event which, but for the lapse of time or the giving of notice or both, would constitute a Servicer Default.

“Presidential Reserve Loan” shall mean any Pledged Loan which provides financing for the purchase of an UDI in a Timeshare Property Regime at a Resort in which all or a portion of the units comprising such Timeshare Property Regime are designated as Presidential Reserve units and in respect of which units the owners have preferential reservation rights.

“Presidential Reserve Loan Excess Amount” shall mean, on any date, the amount by which (i) the sum of the Loan Balances on such date for all Pledged Loans which are Presidential

Reserve Loans as of the last day of the immediately preceding Due Period exceeds (ii) 10% of the Adjusted Loan Balance on such date.

"Principal Distribution Amount" shall mean, for any Payment Date (i) so long as neither an Amortization Event nor the Termination Date has occurred, an amount equal to the Borrowing Base Shortfall on such Payment Date; and (ii) on or after the Termination Date or the occurrence of an Amortization Event, the lesser of (x) the Notes Principal Amount and (y) the excess of (1) the entire amount of the remaining Available Funds after making provisions for the payments and distributions required under clauses FIRST through FIFTH in Section 4.1 on such Payment Date over (2) the amount, if any, by which the amount on deposit in the Reserve Account is less than the Reserve Required Amount on such Payment Date.

"Priority of Payments" shall mean the application of Available Funds in accordance with Section 4.1.

"Proceeding" shall have the meaning specified in Section 11.3.

"Purchase" shall mean a purchase of Pledged Loans by the Issuer from the Depositor pursuant to the Depositor Purchase Agreement.

"Purchaser" shall have the meaning assigned to that term in the Note Purchase Agreement.

"Purchaser Commitment Amount" with respect to each Purchaser Group or each Non-Conduit Committed Purchaser, shall have the meaning assigned to that term in the Note Purchase Agreement.

"Purchaser Fees" shall have the meaning specified in the Fee Letter.

"Purchaser Group" shall have the meaning assigned to that term in the Note Purchase Agreement.

"PYF 2014-A Notes" shall mean the Premium Yield Facility 2014-A LLC Floating Rate Vacation Timeshare Loan Backed Notes, Series 2014-A.

"Qualified Hedge Provider" shall mean, at any time, (i) JP Morgan Chase Bank, N.A. or an Affiliate thereof or (ii) any financial institution with a short term unsecured debt rating of at least "A-1" from S&P and at least "P-1" from Moody's, and a long term rating of at least "A" from S&P and at least "A2" from Moody's.

"Qualified Substitute Loan" shall mean a substitute 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" shall mean at any time any nationally recognized statistical rating organization then maintaining a rating on the Series 2017-A Notes at the request of the Issuer.

"Rating Agency Condition" shall mean, with respect to any action to be taken, that each Rating Agency shall have been given at least five (5) days prior notice thereof by the Issuer and 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 it to the Series 2017-A Notes.

"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 immediately preceding Business Day).

"Registered Noteholder" shall mean a Holder of a Series 2017-A Note that is registered in the Note Register.

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

"Release Date" shall mean the date on which Pledged Loans are 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 date on which the release is to be made, plus accrued and unpaid interest thereon to the date of such release.

"Released Pledged Loan" shall mean any Loan which was a Pledged Loan, but which was released from the Lien of this Indenture pursuant to the terms hereof; provided that any Released Pledged Loan which subsequently becomes an Additional Pledged Loan shall not be a Released Pledged Loan, unless and until such Loan is again released from the Lien of the Indenture pursuant to the terms hereof.

"Required Cap Rate" shall mean, for any Accrual Period, the Weighted Average Series 2017-A Loans Rate less 7.50%.

"Required Facility Investors" shall have the meaning assigned to that term in the Note Purchase Agreement.

"Reserve Account" shall have the meaning specified in Section 4.6.

"Reserve Required Amount" shall mean as of any date, (i) as long as neither an Amortization Event nor the Termination Date has occurred, an amount equal to 2.50% of the Aggregate Loan Balance and (ii) on or after the occurrence of an Amortization Event or the Termination Date, an amount equal to the lesser of (x) 0.25% of the Facility Limit and (y) 50% of the Notes Principal Amount as of such date (before taking into account any distributions of principal on such date).

"Resort" shall have the meaning set forth in each Seller 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 Indenture.

“Revolving Credit Agreement” shall mean the Credit Agreement dated as of May 25, 2015, among Wyndham Worldwide, as borrower, the lenders party to the agreement from time to time, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A., as syndication agent, The Bank of Nova Scotia, Deutsche Bank AG, New York Branch, The Royal Bank of Scotland PLC, Wells Fargo Bank, N.A., Credit Suisse AG, Cayman Islands Branch, Compass Bank, Barclays Bank PLC, Goldman Sachs Bank USA, The Bank of Tokyo Mitsubishi UFJ, Ltd., U.S. Bank National Association and SunTrust Bank as co-documentation agents, as amended from time to time in accordance with the terms thereof and any replacement credit agreement thereto.

“S&P” shall mean Standard & Poor’s Ratings Services or any successor thereto.

“Sale” shall have the meaning specified in Section 11.12(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.

“Securitized Pool” shall mean, as of any date, all assets originated by the Originators or any other Affiliate of WCF and financed by any special purpose entity and that are serviced by WCF including the assets in all term issuances, all warehouse facilities (other than the Series 2017-A Notes) and other securitization facilities that are outstanding at any time between the Closing Date and the date on which the Series 2017-A Notes are paid in full, excluding the pool securing the PYF 2014-A Notes and any securitized pool of assets that is not composed of collateral with eligibility requirements generally analogous to those of the Pledged Loans (other than with respect to Green Loans).

“Securitized Pool Default Percentage” shall mean for any Due Period a fraction (i) the numerator of which is the aggregate outstanding principal balance due in respect of all loans in the Securitized Pool which became Securitized Pool Defaulted Loans during such Due Period and (ii) the denominator of which is the aggregate outstanding loan balance due in respect of all loans in the Securitized Pool as of the last day of such Due Period.

“Securitized Pool Defaulted Loan” shall mean any loan in the Securitized Pool (a) with any portion of a scheduled monthly payment of principal or interest is delinquent more than 120 days, (b) with respect to which WCF as servicer shall have determined in good faith that the related obligor will not resume making scheduled monthly 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.

"Securitized Pool Delinquency Ratio" shall mean for any Due Period, a fraction (i) the numerator of which is the aggregate outstanding principal balance due in respect of all loans in the Securitized Pool which are Securitized Pool Delinquent Loans at the end of such Due Period and (ii) the denominator of which is the aggregate outstanding loan balance due in respect of all loans in the Securitized Pool as of the last day of such Due Period.

"Securitized Pool Delinquent Loan" shall mean any loan in the Securitized Pool with any scheduled monthly payment of interest or principal (or any portion thereof) delinquent more than 60 days other than a loan that is a Securitized Pool Defaulted Loan.

"Securitized Pool Four Month Default Percentage" shall mean, for any Payment Date, the sum of the Securitized Pool Default Percentages for each of the four immediately preceding Due Periods divided by four.

"Securitized Pool Three Month Rolling Average Delinquency Percentage" shall mean, for any Payment Date, the sum of the Securitized Pool Delinquency Ratios for each of the three immediately preceding Due Periods divided by three.

"Seller" shall have the meaning assigned to that term in any Seller Purchase Agreement.

"Seller of Series 2017-A Loans" shall mean a Seller which has sold a Loan to the Depositor which is a Pledged Loan.

"Seller Purchase Agreements" shall mean collectively (i) the Master Loan Purchase Agreement among WCF, as Seller, WVRI, WRDC and the other Originators named therein and the Depositor, as supplemented by the Series 2017-A Supplement thereto (the "Existing Seller Purchase Agreement") and (ii) with respect to any Approved Loans originally sold by a Seller to the Depositor under a Collateral Seller Purchase Agreement, such Collateral Seller Purchase Agreement.

"Senior Carrying Costs" shall have the meaning assigned to that term in the Note Purchase Agreement.

"Senior Notes Interest" shall mean, for each Series 2017-A Note on any Payment Date, the sum of (i) the sum of the Senior Carrying Costs for such Series 2017-A Note for each day within the Accrual Period with respect to such Payment Date and (ii) the Unused Fee for such Payment Date with respect to the Purchaser Group or Non-Conduit Committed Purchaser that holds such 2017-A Note.

"Senior Overdue Interest" shall mean, as of any Payment Date, the amount, if any, by which the aggregate Senior Notes Interest in respect of all Series 2017-A Notes on all prior Payment Dates exceeds the amount paid to Noteholders on such prior Payment Dates pursuant to clause FOURTH of Section 4.1, together with interest thereon for each Accrual Period at the rate of the Bank Base Rate plus 1.5%.

"Series 2017-A Loan" shall mean a Loan that is a Pledged Loan.

"Series 2017-A 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 Initial Advance Date, and as such schedule is amended by delivery electronically by the Issuer to the Trustee of information related to the release of Pledged Loans or the Grant of Additional Pledged Loans or Qualified Substitute Loans.

"Series 2017-A Notes" shall mean the Sierra Timeshare Conduit Receivables Funding III, LLC, Loan-Backed Variable Funding Notes, Series 2017-A, issued pursuant hereto.

"Series 2017-A Supplement" shall mean the Series 2017-A Supplement, dated as of October 5, 2017, as amended, supplemented, amended and restated or otherwise modified from time to time in accordance with its terms, to the Master Loan Purchase Agreement among WCF, as Seller, WVRI, WRDC, the other Originators named therein and the Depositor pursuant to which the Seller sells Loans to the Depositor.

"Service Transfer" shall have the meaning specified in Section 12.1.

"Servicer" shall mean Wyndham Consumer Finance, Inc., a Delaware corporation, or any Successor Servicer appointed pursuant to Section 12.2.

"Servicer Advance" shall mean amounts, if any, advanced by the Servicer, at its option, pursuant to Section 7.16 to cover any shortfall between (i) the Scheduled Payments on the 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.

"Servicer Default" shall mean the defaults specified 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.

"Settlement Statement" shall mean the information furnished by the Servicer to the Trustee for distribution to the Noteholders pursuant to Section 8.1.

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

"State Concentration Excess Amount" shall mean, on any date, the sum of (i) with respect to each State other than California, the amount by which the sum of the Loan Balances on such date of all Pledged Loans of Obligors with mailing addresses located in such State on the last date of the immediately preceding Due Period exceeds twenty percent (20%) of the Adjusted Loan Balance on such date plus (ii) with respect to California, the amount by which the sum of the Loan Balances on such date of all Pledged Loans of Obligors with mailing addresses located in California on the last day of the immediately preceding Due Period exceeds thirty percent (30%) of the Adjusted Loan Balance on such 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 have the meaning specified in the Depositor Purchase Agreement.

"Successor Servicer" shall have the meaning set forth in Section 12.2.

"Supplemental Grant" shall mean, with respect to any Additional Pledged Loans Granted as provided in Section 5.1 of this Indenture, a Supplemental Grant substantially in the form of Exhibit A which shall be accompanied by an amendment which amends the Series 2017-A Loan Schedule listing such Loans and which shall be deemed to be incorporated into and made a part of this Indenture.

"Tax Sharing Agreement" shall mean the Tax Sharing Agreement dated as of October 5, 2017 by and among the Issuer, Wyndham Worldwide and WCF as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Termination Date" shall mean the earliest to occur of (i) the Mandatory Redemption Date (unless repayment of the Series 2017-A Notes is waived in accordance with Section 2.13(a)), (ii) the Maturity Date and (iii) the first Payment Date on which the Liquidity Termination Date has occurred with respect to any Purchaser Group or any Non-Conduit Committed Purchaser.

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

"Three Month Rolling Average Delinquency Ratio" shall mean for any Payment Date, the sum of the Delinquency Ratios for such Payment Date and each of the two immediately preceding Payment Dates divided by three (or, to the extent that less than three Payment Dates have occurred since the Closing Date, the sum of the Delinquency Ratios for each such Payment Date divided by the number of such Payment Dates).

"Three Month Rolling Average Loss to Liquidation Ratio" shall mean for any Payment Date, the sum of the Loss to Liquidation Ratios for such Payment Date and each of the two immediately preceding Payment Dates divided by three (or, to the extent that less than three Payment Dates have occurred since the Closing Date, the sum of the Loss to Liquidation Ratios for each such Payment Date divided by the number of such Payment Dates).

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

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

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

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

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

"Trustee" shall mean Wells Fargo, 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, 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 each Seller Purchase Agreement.

"Unused Fees" shall mean with respect to any Purchaser Group or any Non-Conduit Committed Purchaser, the unused fee described in the Fee Letter.

"USA Patriot Act" shall have the meaning set forth in Section 15.20.

"Vacation Credits" shall mean ownership interests in WorldMark that entitle the owner thereof to use WRDC Resorts that are owned by WorldMark.

"WCF" shall mean Wyndham Consumer Finance, Inc., a Delaware corporation.

"Weighted Average Series 2017-A Loans Rate" shall mean, with respect to any Accrual Period, the weighted average of the Contract Rates for all Pledged Loans as the last day of the Due Period immediately preceding the related Payment Date.

"Wells Fargo" Wells Fargo Bank, National Association.

"WorldMark" shall mean WorldMark, The Club, a California non-profit mutual benefit corporation, and its successors in interest.

"WorldMark Adjusted Loan Balance" shall mean, on any date, the Loan Balances on such date of all WorldMark Loans minus the sum of (i) the Loan Balances of any WorldMark Loans which are Defaulted Loans as of the last day of the immediately preceding Due Period, (ii) the Loan Balances of any WorldMark Loans which are Delinquent Loans as of the last day of the immediately preceding Due Period, (iii) the Loan Balances of any WorldMark Loans which are Defective Loans as of the last day of the immediately preceding Due Period, (iv) the portion of the FICO Score of 7-Year Loans Excess Amount comprised of WorldMark Loans on such date and (v) the portion of the FICO Score of 10-Year Loans Excess Amount comprised of WorldMark Loans on such date.

"WorldMark Loans" shall mean Pledged Loans originated by WRDC.

"WorldMark Loan FICO Score 650 Excess Amount" shall mean, on any date, the amount by which (i) the sum of Loan Balances on such date for all Pledged Loans that are WorldMark Loans that have a FICO Score of 650 or less exceeds (ii) 11.50% of the WorldMark Adjusted Loan Balance on such date.

"WorldMark Loan FICO Score 700 Excess Amount" shall mean, on any date, the amount by which (i) the sum of Loan Balances on such date for all Pledged Loans that are WorldMark Loans that have a FICO Score of 700 or less exceeds (ii) the sum of (A) 39% of the WorldMark Adjusted Loan Balance on such date and (B) the WorldMark Loan FICO Score 650 Excess Amount on such date.

"WorldMark Loan FICO Score 750 Excess Amount" shall mean, on any date, the amount by which (i) the sum of Loan Balances on such date for all Pledged Loans that are WorldMark Loans that have a FICO Score of 750 or less exceeds (ii) the sum of (A) 70.75% of the WorldMark Adjusted Loan Balance on such date, (B) the WorldMark Loan FICO Score 650 Excess Amount on such date and (C) the WorldMark Loan FICO Score 700 Excess Amount on such date.

"WorldMark Loan FICO Score 800 Excess Amount" shall mean, on any date, the amount by which (i) the sum of Loan Balances on such date for all Pledged Loans that are WorldMark Loans that have a FICO Score of 800 or less exceeds (ii) the sum of (A) 93.25% of the WorldMark Adjusted Loan Balance on such date, (B) the WorldMark Loan FICO Score 650 Excess Amount on such date, (C) the WorldMark Loan FICO Score 700 Excess Amount on such date and (D) the WorldMark Loan FICO Score 750 Excess Amount on such date.

"WorldMark Resorts" shall mean resorts developed by WRDC in which WRDC sells vacation ownership interests

"WRDC" shall mean Wyndham Resort Development Corporation, an Oregon corporation and its successors and assigns.

"WRDC California Loan" shall mean a Pledged Loan which was originated by WRDC and relates to Vacation Credits sold in California.

"WRDC Timeshare Upgrade" shall mean a Loan which was sold to the Depositor by WRDC and with respect to which the Obligor purchases a Timeshare Upgrade.

"WVRI" shall mean Wyndham Vacation Resorts, Inc., a Delaware corporation and its successors and assigns.

"Wyndham Adjusted Loan Balance" shall mean, on any date, the Loan Balances on such date of all Wyndham Loans minus the sum of (i) the Loan Balances of any Wyndham Loans which are Defaulted Loans as of the last day of the immediately preceding Due Period, (ii) the Loan Balances of any Wyndham Loans which are Delinquent Loans as of the last day of the immediately preceding Due Period, (iii) the Loan Balances of any Wyndham Loans which are Defective Loans as of the last day of the immediately preceding Due Period, (iv) the portion of the FICO Score of 7-Year Loans Excess Amount comprised of Wyndham Loans on such date and (v) the portion of the FICO Score of 10-Year Loans Excess Amount comprised of Wyndham Loans on such date.

"Wyndham Loans" shall mean Pledged Loans other than WorldMark Loans.

"Wyndham Loan FICO Score 650 Excess Amount" shall mean, on any date, the amount by which (i) the sum of Loan Balances on such date for all Pledged Loans that are Wyndham Loans that have a FICO Score of 650 or less exceeds (ii) 10% of the Wyndham Adjusted Loan Balance on such date.

"Wyndham Loan FICO Score 700 Excess Amount" shall mean, on any date, the amount by which (i) the sum of Loan Balances on such date for all Pledged Loans that are Wyndham Loans that have a FICO Score of 700 or less exceeds (ii) the sum of (A) 34% of the Wyndham Adjusted Loan Balance on such date and (B) the Wyndham Loan FICO Score 650 Excess Amount on such date.

"Wyndham Loan FICO Score 750 Excess Amount" shall mean, on any date, the amount by which (i) the sum of Loan Balances on such date for all Pledged Loans that are Wyndham Loans that have a FICO Score of 750 or less exceeds (ii) the sum of (A) 66.50% of the Wyndham Adjusted Loan Balance on such date, (B) the Wyndham Loan FICO Score 650 Excess Amount on such date and (C) the Wyndham Loan FICO Score 700 Excess Amount on such date.

"Wyndham Loan FICO Score 800 Excess Amount" shall mean, on any date, the amount by which (i) the sum of Loan Balances on such date for all Pledged Loans that are Wyndham Loans that have a FICO Score of 800 or less exceeds (ii) the sum of (A) 92% of the Wyndham Adjusted Loan Balance on such date, (B) the Wyndham Loan FICO Score 650 Excess Amount on such date, (C) the Wyndham Loan FICO Score 700 Excess Amount on such date and (D) the Wyndham Loan FICO Score 750 Excess Amount on such date.

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

Section 1.2 Other Definitional Provisions.

(a) Terms used in this Indenture and not otherwise defined herein shall have the meanings ascribed to them in the Existing Seller Purchase Agreement or the Depositor 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 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 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 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 a Rating Agency or to each Rating Agency shall only apply to a rating agency then rating the Series 2017-A Notes, and any reference to satisfaction of the Rating Agency Condition or to delivery of documents or other items to the Rating Agencies or to a Rating Agency shall only apply to a rating agency then rating the Series 2017-A Notes. Other than as set forth in Section 15.16, at any time when the Series 2017-A Notes are not rated by any Rating Agency all references in this Indenture to actions to be taken with respect to any Rating Agency or the Rating Agencies and/or the Rating Agency Condition shall be disregarded and shall be of no effect.

(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 (the "New York UCC") and not otherwise defined herein shall have the meanings set forth in the New York UCC, unless the context requires otherwise. Any reference herein to a "beneficial interest" in a security also shall mean, unless the context otherwise requires, a security entitlement with respect to such security, and any reference herein to a "beneficial owner" or "beneficial holder" of a security also shall mean, unless the context otherwise requires, the holder of a security entitlement with respect to such security. Any reference herein to money or other property that is to be deposited in or is on deposit in a securities account shall also mean that such money or other property is to be credited to, or is credited to, such securities account.

(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.

(h) In determining whether the requisite percentage of Noteholders or of all Noteholders have concurred in any direction, waiver or consent, Series 2017-A 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 Series 2017-A 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. Series 2017-A Notes so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Series 2017-A Notes and that the pledgee is not the Issuer, any other obligor upon the Series 2017-A Notes, the Depositor, the Servicer or any Affiliate of any of the foregoing Persons.

Section 1.3 Intent and Interpretation of Documents

The arrangement by this Indenture, the Seller Purchase Agreements, any Approved Sale Agreement, the Depositor Purchase Agreement, the Custodial Agreement, 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 or Approved 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 and Approved Seller for all purposes other than tax purposes. This Indenture and the other Facility Documents shall be interpreted to further these intentions.

ARTICLE II

THE NOTES

Section 2.1 Form Generally.

(a) The Series 2017-A Notes shall be issued in fully registered form without interest coupons (the "Registered Notes"). The Series 2017-A 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, 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, consistently herewith, be determined by the Authorized Officers of the Issuer executing the Series 2017-A Notes as evidenced by their execution of the Series 2017-A Notes. Any portion of the text of any Series 2017-A Note may be set forth on the reverse or subsequent pages thereof, with an appropriate reference thereto on the face of the Note.

The Series 2017-A 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 Series 2017-A Notes, as evidenced by their execution of such Series 2017-A Notes.

All Series 2017-A Notes shall be dated as provided in Section 2.15.

(b) Each Series 2017-A Note shall have a grid attached to it on which there shall be recorded the advances made on such Series 2017-A Note and all principal payments made on that Note; provided, that such amounts may instead be recorded in the Purchaser's or Funding Agent's records and the failure to make such recordings shall not affect the obligations of the Issuer hereunder or under such Series 2017-A Note.

(c) One Series 2017-A Note shall initially be issued for each Purchaser Group and be registered in the name of the Funding Agent for that Purchaser Group as set forth in Exhibit B.

(d) One Series 2017-A Note shall be issued for each Non-Conduit Committed Purchaser and be registered in the name of the Non-Conduit Committed Purchaser itself as set forth in Exhibit B.

Section 2.2 Denominations.

Except as otherwise specified in this Indenture and the Series 2017-A Notes, each Series 2017-A Note shall be issued in fully registered form in minimum amounts of U.S. $1,000.

Section 2.3 Execution, Authentication and Delivery.

Each Series 2017-A Note shall be executed by manual or facsimile signature on behalf of the Issuer by an Authorized Officer of the Issuer.

Series 2017-A 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 Series 2017-A Notes or does not hold such office at the date of issuance such Series 2017-A Notes.

At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Series 2017-A Notes executed by the Issuer to the Trustee for authentication and delivery, and the Trustee shall authenticate and deliver such Series 2017-A Notes as provided in this Indenture and not otherwise.

No Series 2017-A Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Series 2017-A Note a certificate of authentication substantially in the form provided for herein executed by or on behalf of the Trustee by the manual signature of a duly authorized signatory, and such certificate upon any Series 2017-A Note shall be conclusive evidence, and the only evidence, that such Series 2017-A 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 Series 2017-A Notes which shall be authorized to act on behalf of the Trustee in authenticating the Series 2017-A Notes in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Series 2017-A Notes. Whenever reference is made in this

Indenture to the authentication of Series 2017-A 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 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 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 13.1 and 13.3 shall be applicable to any Authentication Agent.

(f) Pursuant to an appointment made under this Section 2.4, the Series 2017-A 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 Series 2017-A 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 Series 2017-A Notes.

(a) The Issuer shall cause to be kept at the Corporate Trust Office initially, a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the registration of Series 2017-A Notes and the registration of transfers of Series 2017-A 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. 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 the Note Registrar. If a Person other than the Trustee is appointed by the Issuer as Note Registrar, the Issuer shall give the Trustee 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 Noteholders and the principal amounts and number of the Notes.

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 Indenture 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 Issuer has appointed a successor Note Registrar.

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 this Indenture, one or more new Registered Notes 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 this Indenture, Registered Notes 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.

All Series 2017-A Notes issued upon any registration of transfer or exchange of Series 2017-A Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture as the Series 2017-A 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 Series 2017-A Note for a period of fifteen (15) days preceding the due date for any payment with respect to the Note.

Whenever any Series 2017-A Notes are so surrendered for exchange, subject to any restrictions contained in this Indenture, the Issuer shall execute and the Trustee shall authenticate and deliver the Series 2017-A Notes which the Noteholder making the exchange is entitled to receive. Every Series 2017-A 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.

Series 2017-A Notes issued upon transfer, exchange or replacement of other Series 2017-A Notes shall represent the outstanding principal amount of the Series 2017-A Notes so transferred, exchanged or replaced. If any Series 2017-A Note is divided into more than one Series 2017-A Note in accordance with this Article II the aggregate principal amount of the Series 2017-A Notes delivered in exchange shall, in the aggregate be equal to the principal amount of the divided Series 2017-A Note.

No service charge shall be made for any registration of transfer or exchange of Series 2017-A 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 Series 2017-A Notes surrendered for registration of transfer and exchange or for payment shall be canceled and disposed of in a manner satisfactory to the Trustee.

The Issuer shall execute and deliver to the Trustee Series 2017-A Notes in such amounts and at such times as are necessary to enable the Trustee to fulfill its responsibilities under this Indenture and the Series 2017-A Notes.

(b) The Note Registrar will maintain at its expense in Minneapolis, Minnesota, or New York, New York an office or agency where Series 2017-A Notes may be surrendered for registration of transfer or exchange.

Section 2.6 Mutilated, Destroyed, Lost or Stolen Series 2017-A Notes.

If (a) any mutilated Series 2017-A Note is surrendered to the Note Registrar or the Trustee, or the Note Registrar and the Trustee receives evidence to their 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 Series 2017-A Note has been acquired by a protected purchaser, the Issuer shall execute, and the Trustee shall authenticate and the Note Registrar shall deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Series 2017-A 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 Series 2017-A 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 Series 2017-A Note without surrender thereof, except that any mutilated Series 2017-A Note shall be surrendered. If, after the delivery of such replacement Series 2017-A Note or payment of a destroyed, lost or stolen Series 2017-A Note pursuant to the proviso to the preceding sentence, a protected purchaser of the original Series 2017-A Note in lieu of which such replacement Series 2017-A Note was issued presents for payment such original Note, the Issuer and the Trustee shall be entitled to recover such replacement Series 2017-A Note (or such payment) from the Person to whom it was delivered or any Person taking

such replacement Series 2017-A Note from such Person to whom such replacement Series 2017-A 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 Series 2017-A Note under this Section 2.6, the Issuer or the Note Registrar may require the payment by the Holder of such Series 2017-A 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 Series 2017-A Note issued pursuant to this Section in replacement of any mutilated, destroyed, lost or stolen Series 2017-A 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 Series 2017-A Note shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Series 2017-A 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 Series 2017-A Notes.

Section 2.7 Persons Deemed Owners.

The Trustee, the Paying Agent, the Note Registrar, the Issuer and any agent of any of them may 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 this Indenture and for all other purposes whatsoever, and, in any such case, neither the Trustee, the Paying Agent, the Note Registrar, 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 Trustee is hereby appointed as the Paying Agent. The Paying Agent shall make distributions to the Funding Agents on behalf of the applicable Noteholders and to the Non-Conduit Committed Purchasers as Noteholders from the Collection Account pursuant to the provisions of this Indenture and the Note Purchase Agreement 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 for the purpose of making the distributions referred to above. The Issuer reserves the right at any time to vary or terminate the appointment of a Paying Agent for the Series 2017-A 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 Indenture to the Paying Agent shall include any co-paying agent unless the context requires otherwise.

Section 2.9 Cancellation.

All Series 2017-A 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 Series 2017-A Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any lawful manner whatsoever, and all Series 2017-A Notes so delivered shall be promptly cancelled by the Trustee. No Series 2017-A Notes shall be authenticated in lieu of or in exchange for any Series 2017-A Notes cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Series 2017-A 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 Confidentiality. The Trustee and the Collateral Agent hereby agree not to disclose to any Person any of the names or addresses of the Obligors under any of the Pledged Loans or other information contained in the Series 2017-A 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 this Indenture. 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 2.10.

Section 2.11 144A Information. The Issuer agrees to furnish to the Trustee, for delivery to each Noteholder or any prospective transferee of a Series 2017-A Note at such Noteholder's (or transferee's) request, all information with respect to the Issuer, the Depositor, the Sellers, any Approved Seller, the Performance Guarantor or the Servicer, the Pledged Loans or the Series 2017-A 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 Series 2017-A Notes (or interests therein) pursuant to such rule.

Section 2.12 Authorized Amount; Conditions to Initial Issuance. (a) The Series 2017-A Notes shall be issued on the Closing Date in a maximum principal amount of $750,000,000, subject to any changes in the Facility Limit made in accordance herewith and with the Note Purchase Agreement. The Noteholders will fund the initial Notes Principal Amount on the Initial Advance Date. The Notes Principal Amount may be increased from time to time as provided in Section 2.17 of this Indenture and the terms of the Note Purchase Agreement; provided, however, that the Series 2017-A Notes Principal Amount shall at no time exceed the then effective Facility Limit and the outstanding principal amount of the Series 2017-A Note held by any single Purchaser Group or any single Non-Conduit Committed Purchaser shall not exceed the then-

effective Purchaser Commitment Amount for such Purchaser Group or Non-Conduit Committed Purchaser.

(a) The following are conditions to the initial funding of the Series 2017-A Notes on the Initial Advance Date:

(i) The Issuer shall have entered into and Granted to the Trustee the Hedge Agreement with terms described in Section 4.7;

(ii) The premium due for the Hedge Agreement as of the Initial Advance Date shall have been paid as of the Initial Advance Date; and

(iii) Any additional conditions set forth in Section 2.2 or Section 3.3 of the Note Purchase Agreement shall have been satisfied.

Section 2.13 Principal, Interest and NPA Costs. (a) Principal. (i) The Series 2017-A Notes shall mature and be fully due and payable on the Maturity Date.

(i) The Series 2017-A Notes shall be subject to mandatory redemption in whole by the Issuer on the Mandatory Redemption Date and the entire principal amount of the Series 2017-A Notes shall be due and payable on such Mandatory Redemption Date unless such redemption is waived in writing prior to the Mandatory Redemption Date by the Holders of 100% of the Series 2017-A Notes which would be outstanding on such Mandatory Redemption Date.

(ii) To the extent of Available Funds distributed as provided in provision SIXTH of Section 4.1 on any Payment Date, principal of the Series 2017-A Notes will be subject to mandatory prepayment on such Payment Date in the amount of the Principal Distribution Amount. Series 2017-A Notes will also be subject to prepayment on the date designated under the terms of Section 2.19. All payments of principal on the Series 2017-A Notes shall be made pro rata based on the outstanding principal amount of the Series 2017-A Notes. All outstanding principal of the Series 2017-A Notes (unless sooner paid) will be due and payable on the Maturity Date.

(b) Interest. Interest on each Series 2017-A Note shall be due and payable on each Payment Date in the amount of the Notes Interest calculated for that Series 2017-A 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 Servicer and the Trustee of the aggregate amount of Notes Interest to be paid on such Payment Date on all Series 2017-A Notes and the components used in calculating the Notes Interest, including the amount of Carrying Costs and Purchaser Fees for each Purchaser Group and each Non-Conduit Committed Purchaser for such Payment Date.

(c) NPA Costs. NPA Costs shall be due and payable to each Funding Agent and each Non-Conduit Committed Purchaser on each Payment Date. On the Determination Date prior to

each Payment Date, the Deal Agent shall provide written notice to Issuer, the Servicer and the Trustee of the aggregate amount of NPA Costs due on such Payment Date and the amount due to each Purchaser Group and each Non-Conduit Committed Purchaser.

(d) Payments in respect of interest on and principal of and any other amount payable on or in respect of any Series 2017-A Notes including NPA Costs shall be made on each Payment Date 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 Series 2017-A Note in accordance with Section 2.16(a).

Section 2.14 Nonrecourse to the Issuer. The Series 2017-A Notes are limited obligations of the Issuer payable only from and to the extent of the Collateral. The Holders of the Series 2017-A Notes shall have recourse to the Issuer only to the extent of the Collateral, and to the extent such Collateral is not sufficient to pay the Series 2017-A Notes and the Notes Interest thereon in full and all other obligations of the Issuer under this Indenture and the other Facility Documents, the Holders of the Series 2017-A Notes and holders of other obligations payable from the 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. Such Noteholders further agree that such agreement constitutes a subordination agreement for purposes of Section 510(a) of the Bankruptcy Code.

Section 2.15 Dating of the Series 2017-A Notes.

Each Series 2017-A Note authenticated and delivered by the Trustee or the Authentication Agent to or upon Issuer Order on or before the Closing Date shall be dated as of the Closing Date. All other Series 2017-A Notes that are authenticated after the Closing Date for any other purpose under this Indenture shall be dated the date of their authentication.

Section 2.16 Payment on the Series 2017-A Notes; Withholding Tax.

(a) The Trustee shall pay all amounts paid to or deposited with it for payment (x) to any Purchaser Group to the account or accounts so specified by the related Funding Agent and (y) to any Non-Conduit Committed Purchaser to the account or accounts so specified by such Non-Conduit Committed Purchaser; provided that unless the Trustee has received other instructions from a Funding Agent or Non-Conduit Committed Purchaser, such account or accounts for each Purchaser Group or each Non-Conduit Committed Purchaser shall be deemed to be those indicated under "Account for Payment" (i) under such Purchaser's signature to the Note Purchase Agreement as amended and supplemented from time to time and provided to the Trustee or (ii) if applicable, as provided in a Purchaser Assignment and Assumption Agreement and provided to the Trustee or provided by a Purchaser Group added under the provisions of Section 2.3(d) of the Note Purchase Agreement, as provided to the Trustee in writing at the time of such addition.

(b) As a condition to the payment of principal of and interest on any Series 2017-A Note without the imposition of U. S. withholding tax, the Issuer shall require compliance with Sections 4.3(c) and (d) of the Note Purchase Agreement.

(c) Each Noteholder, by the purchase of such Note or its acceptance of a beneficial interest therein, acknowledges that interest on the Notes will be treated as United States source interest, and, as such, United States withholding tax may apply. If such withholding tax does apply, the payor (as defined below) may withhold such payments in accordance with applicable law. Each such Noteholder that claims exemption from, or eligibility for a reduced rate of, withholding tax further agrees, upon request, to provide any certifications that may be required under applicable law, regulations or procedures to evidence such status and understands that if it ceases to satisfy the foregoing requirements or provide requested documentation, payments to it under the Notes may be subject to United States withholding tax (without any corresponding gross-up). If a payment made to a recipient would be subject to U.S. Federal withholding tax imposed by FATCA if such recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such recipient shall deliver to the Issuer, the Depositor, the Servicer, the Trustee or the Performance Guarantor (each a "payor") (or if the recipient fails to so deliver to the payor, the Issuer shall deliver to the payor any such withholding information to the extent the Issuer shall have previously received such information) at the time or times prescribed by law and at such time or times reasonably requested by the payor such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code and any agreements entered into pursuant to Section 1471(b)(1) of the Code) and such additional documentation as reasonably requested by the payor as may be necessary for the payor to determine that such recipient has complied with such recipient's obligations under FATCA and that such recipient is not subject to any such withholding. For these purposes, "FATCA" shall mean The Foreign Account Tax Compliance Act as contained in Sections 1471 through 1474 of the Code, as amended, along with any regulations or official interpretations thereof.

Section 2.17 Increases in Notes Principal Amount. The Noteholders agree by acceptance of the Series 2017-A Notes that, on any date, 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 Servicer and subject to the terms and conditions of the Note Purchase Agreement, request that the Noteholders fund an Increase in the aggregate amount specified in the notice and on the date specified in the notice. If the terms and conditions to the Increase set forth in the Note Purchase Agreement are satisfied or waived, then such Increase shall be funded in accordance with the Note Purchase Agreement.

Section 2.18 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 in an amount not less than $20 million and in increments of $1 million in excess thereof and shall be applied to reduce the Purchaser Commitment Amount of each Purchaser Group and each Non-Conduit Committed Purchaser on a pro rata basis pursuant to the terms of the Note Purchase Agreement.

Section 2.19 Optional Repayment. (a) The Issuer may prepay the Series 2017-A 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") in accordance with Section 2.3 of the Note Purchase Agreement, provided that (i) the Notes 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 Deal Agent, for distribution to the Funding Agents and the Non-Conduit Committed Purchasers, on the date of prepayment, the amounts set forth on the Note Purchase Agreement.

(a) The applicable Prepayment Notice shall state (i) the principal amount of the Series 2017-A Notes to be paid and (ii) the aggregate Loan Balance of the Pledged Loans to be released under Section 5.4 at the time of the prepayment of the Series 2017-A Notes, with aggregate Loan Balances in an amount such that, after giving effect to such release, the Borrowing Base shall not exceed the Notes Principal Amount calculated immediately after the prepayment of the Series 2017-A Notes. Reference is made to Section 5.4 for the conditions to and procedure for the release of the Pledged Loans and the related Pledged Assets in connection with any such prepayment.

(b) Upon prepayment of the Series 2017-A Notes in accordance with subsection (a), the Issuer shall modify the existing Hedge Agreement in accordance with Section 4.7 such that the notional amount shall at least equal to the Notes Principal Amount after the prepayment of the Series 2017-A Notes.

Section 2.20 Transfer Restrictions.

(a) The Series 2017-A 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 2017-A 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 the Series 2017-A Notes without registration.

(b) No transfer of the Series 2017-A 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 2.20 (including the applicable legend to be set forth on the face of the Series 2017-A 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.

(c) Each Holder of the 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 2017-A Notes may be offered and may be resold by a Noteholder of the Series 2017-A Note only to QIBs pursuant to Rule 144A.

(ii) It understands that the Series 2017-A 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 2017-A 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 Noteholder has made any representation to it with respect to the Issuer or the offering or sale of any Series 2017-A Notes. It has had access to such financial and other information concerning the Issuer, the Series 2017-A Notes and the source of payment for the Series 2017-A Notes as it has deemed necessary in connection with its decision to purchase the Series 2017-A Notes.

(iv) It is purchasing the Series 2017-A 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 2017-A Notes, or any interest or participation therein, as described herein, in this Indenture and in the Note Purchase Agreement.

(v) It acknowledges that the Issuer, the Noteholders 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 2017-A 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 Issuer, the Servicer, the Trustee and the Deal Agent two duly completed copies of the applicable U.S. Internal Revenue Service Form W-8, indicating such exemption or any successor or other forms and documentation as may be sufficient under the applicable regulations for claiming such exemption.

Except as provided in subsection (d) below, any transfer, resale, pledge or other transfer of the Series 2017-A Notes contrary to the restrictions set forth above and in this Indenture shall be deemed void ab initio by the Trustee unless using such restriction is waived by the Issuer by a written instrument delivered to the Trustee.

(d) Notwithstanding anything to the contrary herein, each Conduit under the terms of its Liquidity Agreement or the Note Purchase Agreement, may at any time sell or grant to one or more Liquidity Providers party to the Liquidity Agreement or one or more Alternate Investors party to the Note Purchase Agreement, participating interests or security interests in the Series 2017-A 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 Section 2.20(c).

(e) The Issuer has not registered as an investment company under the Investment Company Act in reliance upon an exemption provided by Rule 3a-7 promulgated under the Investment Company Act. In order to satisfy the requirements of such Rule 3a-7 the Issuer shall be entitled to receive a certificate or other agreement in writing from each Conduit and from each Committed Purchaser to the effect that each such Conduit and each such Committed Purchaser is a QIB. In addition to all other transfer restrictions set forth in this Section 2.20 or any other provision of this Indenture or the Note Purchase Agreement, no Series 2017-A Notes or any interest therein may be transferred and the Trustee shall not register any transfer of a Series 2017-A Note or any interest therein unless the transferee has delivered to the Trustee and to the Issuer a certificate satisfactory to the Issuer to the effect that such transferee is a QIB.

Section 2.21 Tax Treatment. The Issuer has structured this Indenture and the Series 2017-A Notes with the intention that the Series 2017-A Notes will qualify under applicable tax law as indebtedness of the Issuer, and the Issuer and each Noteholder by acceptance of its Series 2017-A Note agree to treat the Series 2017-A 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.

Section 2.22 Liquidity Termination Dates. (a) If a Liquidity Termination Date occurs with respect to less than all Noteholders, then the Issuer, the Servicer, the Trustee and the Collateral Agent shall enter into an indenture and servicing agreement substantially in the form of Exhibit D, together with any changes mutually acceptable to such parties and the Extending Noteholders (each such indenture and servicing agreement, an "Exchange Notes Indenture"). The Issuer shall issue to each Extending Noteholder on the Payment Date immediately succeeding such Liquidity Termination Date an Exchange Note in a principal amount equal to the principal amount of such Extending Noteholder's Series 2017-A Note (or, in the case of any Extending Noteholder which is extending its Liquidity Termination Date for an amount that is

less than its entire Purchaser Commitment Amount, the Extended Portion with respect to such Extending Noteholder); provided, however, that if, upon the issuance of the Exchange Notes, the initial aggregate outstanding principal amount of the Exchanges Notes would not be at least equal to $20,000,000, then the Issuer shall not issue any Exchange Notes and no Liquidity Termination Date with respect to any Noteholder shall be extended; provided further, however, that if, upon the issuance of the Exchange Notes, the Notes Principal Amount for the Series 2017-A Notes would not be at least $20,000,000, then the Issuer shall prepay the entire Notes Principal Amount pursuant to Section 2.19 immediately following the issuance of the Exchange Notes.

(a) Each Noteholder, by its acceptance of a Series 2017-A Note, hereby agrees that if it becomes an Extending Noteholder and the Liquidity Termination Date occurs with respect to any Noteholder, it will surrender its Series 2017-A Note to the Trustee in return for an Exchange Note in an equal principal amount (or, in the case of any Extending Noteholder which is extending its Liquidity Termination Date for an amount that is less than its entire Purchaser Commitment Amount, the Extended Portion with respect to such Extending Noteholder) on the Payment Date immediately succeeding the Liquidity Termination Date with respect to other Noteholder. Upon such exchange the Series 2017-A Notes surrendered shall be deemed to be fully paid and the Trustee shall cancel such Series 2017-A Notes.

(b) In connection with the execution by the Issuer of an Exchange Notes Indenture on the Payment Date immediately succeeding any Liquidity Termination Date, Pledged Loans with aggregate Loan Balances not less than the product of (i) the Extending Noteholders' Percentage with respect to such Liquidity Termination Date and (ii) the Aggregate Loan Balance on such Payment Date shall be released from the Lien of this Indenture pursuant to Section 5.5 and Granted as security for the Exchange Notes issued pursuant to such Exchange Notes Indenture.

(c) In connection with the issuance of any Exchange Notes on the Payment Date immediately succeeding a Liquidity Termination Date, the Issuer, the Servicer, the Depositor, the Performance Guarantor, each Extending Purchaser with respect to such Liquidity Termination Date and the Deal Agent shall enter into a note purchase agreement with respect to the Exchange Notes, substantially in the form of Exhibit F, together with any changes mutually acceptable to such parties.

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, the Collateral Agent and the Noteholders on the Closing Date, on any Addition Date, on any date of an increase in the Facility Limit and on any Notes Increase Date 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 with respect to the Issuer.

(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 Depositor 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 in the case of clause (ii) where such contravention would not have a Material Adverse Effect with respect to the Issuer), 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 issuance of the Series 2017-A Notes 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 with respect to the Issuer.

(d) Enforceability of Facility Documents. Each of the Facility 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 Debtor Relief Laws 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 Facility Documents, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Indenture 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 Indenture 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 Indenture 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 with respect to the Issuer.

(f) Use of Proceeds. All proceeds of the issuance of the Series 2017-A Notes shall be used by the Issuer to acquire Loans from the Depositor under the Depositor Purchase Agreement, to pay costs related to the issuance of the Series 2017-A 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 an "investment company" registered or required to be registered under the Investment Company Act.

(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 Series 2017-A 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 and Names of Issuer. The Issuer was formed on April 3, 2017 as a limited liability company under the laws of the State of Delaware by filing a Certificate of Formation with the name of Sierra Timeshare 2017-2 Receivables Funding LLC and has at all times since such date remained as a Delaware limited liability company. A Certificate of Amendment was filed on September 15, 2017 to change the name of the Issuer to Sierra Timeshare Conduit Receivables Funding III, LLC. Since such Certificate of Amendment was filed, the Issuer has not had any legal name other than Sierra Timeshare Conduit Receivables Funding III, LLC. 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, other than as described in this Section 3.1(i), at any time since its formation. As of the date hereof, the principal place of business and chief executive office of the Issuer is located at 10750 West Charleston Blvd., Suite 130, Mailstop 2089, Las Vegas, NV 89135. As of the date hereof, the Issuer does not operate its business or maintain the Records at any other locations.

(j) Control Account. The Issuer has filed or has caused to be filed a standing delivery order with the United States Postal Service authorizing the Control Account Bank to receive mail delivered to the related Post Office Boxes. The account number of the Control Account, together with the names, addresses, ABA numbers and names of contact persons of the Control Account Bank maintaining such Control Account and the related Post Office Boxes, are specified in Exhibit E. 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 Control Account. The Trustee has control over the Control

Account and the Control Account Bank is required on each Business Day to transfer all collected and available balances in the Control Account to the Collection Account held by the Trustee.

(k) 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.

(l) Facility Documents. The Depositor 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 Depositor 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 this Indenture 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 Depositor Purchase Agreement. The Purchase by the Issuer under the Depositor Purchase Agreement constitutes either a sale or first-priority perfected security interest, enforceable against creditors of the Depositor.

(m) 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 Series 2017-A Notes and such other activities as are incidental to the foregoing. The Issuer has incurred no Debt except that expressly incurred hereunder, under the other Facility Documents, and, if applicable, under any Exchange Note Indenture.

(n) 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.

(o) Taxes. The Issuer has timely filed or caused to be timely filed all federal, state, 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.

(p) 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.

(q) 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.

(r) ERISA. The Issuer has not established and does not maintain or contribute to any Benefit Plan that is covered by Title IV of ERISA.

(s) No Adverse Selection. No selection procedures materially adverse to the Noteholders, the Trustee or the Collateral Agent have been or will be employed by the Issuer in selecting the Pledged Loans for inclusion in the Collateral.

(t) Eligible Loans. Each Pledged Loan, on the date on which it becomes a Pledged Loan, is an Eligible Loan and is (i) a Loan sold by a Seller to the Depositor under a Seller Purchase Agreement or (ii) a Loan sold by an Approved Seller to the Depositor under an Approved Sale Agreement.

(u) Servicer Default. No Servicer Default has occurred and is continuing.

(v) Events of Default; Amortization Events. No Event of Default has occurred, no Amortization Event has occurred, no Potential Event of Default has occurred and is continuing, and no Potential Amortization Event has occurred and is continuing.

(w) Perfection of Security Interests in the Collateral. Payment of principal and interest on the Series 2017-A 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 Series 2017-A Notes and at all times thereafter so long as any Series 2017-A Notes are outstanding, this Indenture creates a security interest (as defined in the applicable UCC) in the Collateral in favor of the Collateral Agent for the benefit of the Trustee and the Noteholders to secure amounts payable under the Series 2017-A Notes, the Indenture and the Note Purchase Agreement, which security interest is perfected and prior to all other Liens (other than any Permitted Encumbrances on the related Timeshare Properties) and is enforceable as such against all creditors of and purchasers from the Issuer.

Section 3.2 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 each Addition 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 of the Loan Documents not required to be in its respective Loan File under the terms of the respective Seller Purchase Agreement 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 Addition 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 3.2 shall be deemed to be remade without further act by any Person on and as of 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 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 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 Indenture, 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 this Indenture 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 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 such deeding, the Servicer shall notify the Trustee and the Collateral Agent by a certificate substantially in the form attached hereto as Exhibit G (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 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 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 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 on behalf of the Noteholders when the Servicer's need therefor no longer exists.

Section 3.4 Assignment of Representations and Warranties. The Issuer hereby assigns to the Trustee its rights relating to the Pledged Loans under the Depositor Purchase Agreement including the rights assigned to the Issuer by the Depositor to payment due from the related Seller, or if applicable the related Approved Seller, for repurchases of Defective Loans (as such term is defined in the applicable Seller Purchase Agreement) resulting from the breach of representations and warranties under the applicable Seller Purchase Agreement or Approved Sale Agreement.

Section 3.5 [Reserved].

Section 3.6 Addition of Pledged Loans Acquired from Approved Sellers. Loans sold to the Depositor by an Approved Seller and sold by the Depositor to the Issuer may be Granted as Pledged Loans under the terms of Section 5.1 provided that the following conditions have been met:

(i) The Approved Seller shall have entered into an Approved Sale Agreement with the Depositor substantially in the form and substance of Exhibit J to this Indenture and the Approved Loans shall have been purchased by the Depositor pursuant to such Approved Sale Agreement;

(ii) The Approved Seller shall at such time as it acquired the Approved Loans have acquired such Approved Loans by transfer from the Depositor and prior to transfer of such Approved Loans by the Depositor to the Approved Seller, the Depositor shall have acquired the Approved Loans from a Seller pursuant to a Seller Purchase Agreement; provided, however, that the acquisition of such Approved Loans by the Depositor from the Seller need not have been simultaneous with the sale to the Approved Seller;

(iii) The Performance Guarantor shall have entered into and delivered to the Trustee an Approved Loan Performance Guaranty in substantially the form and substance of Exhibit K to this Indenture guaranteeing the obligations of the Approved Seller under the Approved Sale Agreement and the obligations of the Seller under the Collateral Seller Purchase Agreement;

(iv) The Approved 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 of the Approved Sale Agreement listing all effective financing statements which name the Approved Seller (under its present name and any previous names) as debtor or seller and which are filed with respect to the Approved Seller in each relevant jurisdiction, together with copies of such financing statements;

(v) The Approved Seller shall have filed appropriate UCC financing statement amendments, if any, necessary to terminate all security interests and other rights of any Person previously granted by the Approved Seller in the Loans sold under the Approved Sale Agreement to the extent such Loans are to become Pledged Loans and the related Pledged Assets;

(vi) The Issuer shall have delivered to the Trustee, the Collateral Agent and the Deal Agent copies of UCC financing statements with respect to the sale of the Loans from the Seller to the Depositor pursuant to the Collateral Seller Purchase Agreement, from the Depositor to the Approved Seller, from the Approved 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 each such transfer or security interest has been perfected and is of first priority;

(vii) An Opinion of Counsel or Opinions of Counsel shall have been delivered to the Trustee, the Deal Agent, the Funding Agents and the Non-Conduit Committed Purchasers covering the following matters: (x) true sale matters with respect to the transfer of the Approved Loans from the Seller to the Depositor pursuant to the relevant Collateral Seller Purchase Agreement and by the Approved Seller to the Depositor pursuant to the Approved Sale Agreement, such opinions to be similar in substance to the true sale opinion delivered to the Purchaser Groups pursuant to the Note Purchase Agreement on the Closing Date, (y) that in the event of the insolvency of WCF or any other Seller of the Approved Loans, the Issuer, the Depositor and the Approved Seller will not be subject to substantive consolidation into the insolvency proceeding of WCF or such Seller, such opinions to be similar in substance to the substantive consolidation opinion delivered to the Purchase Groups pursuant to the Note Purchase Agreement on the Closing Date, and (z) corporate and enforceability matters regarding the execution and delivery of the Approved Sale Agreement and related Approved Loan Performance Guaranty.

(viii) All liabilities incurred by the Approved Seller (other than Sierra Timeshare Conduit Receivables Funding II, LLC) and secured by Loans shall have been paid in full and the related indenture shall have been terminated;

(ix) Each of the items described in provisions (i) through (viii) above shall be in form and substance acceptable to the Majority Facility Investors; and

(x) The Majority Facility Investors shall have delivered to the Issuer written consent to the execution of the Approved Sale Agreement and the inclusion of Approved Loans sold by such Approved Seller as Pledged Loans.

ARTICLE IV

PAYMENTS, SECURITY AND ALLOCATIONS

Section 4.1 Priority of Payments.

The Servicer shall apply, or by written instruction to the Trustee and Paying Agent shall cause the Paying Agent 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 sum of (x) the Monthly Trustee Fees for the related Due Period and any unpaid Monthly Trustee Fees for any previous Due Period, (y) the Capped Monthly Trustee Expenses for such Payment Date and (z) in the event of a Servicer Default and the replacement of the Servicer with the Trustee or a Successor Servicer, the Capped Successor Servicer Costs for such Payment Date;

SECOND, if the Servicer is not Wyndham Consumer Finance, Inc. or an affiliate of the Parent Corporation, to the Servicer, in payment of the Monthly Servicer Fee for the related Due Period and any unpaid Monthly Servicer Fee for a previous Due Period and, whether or not Wyndham Consumer Finance, Inc. or another affiliate of the Parent Corporation is then the Servicer, to the Servicer in reimbursement of any unreimbursed Servicer Advances;

THIRD, to the Hedge Provider under the Hedge Agreement, the Hedge Payments;

FOURTH, to each Noteholder, the Senior Notes Interest for such Payment Date and the NPA Costs payable to such Noteholder to the extent due and payable and any Senior Overdue Interest due to such Noteholder (and interest thereon);

FIFTH, if the Servicer is Wyndham Consumer Finance, Inc. or another affiliate of the Parent Corporation, to the Servicer, the Monthly Servicer Fee for the related Due Period and any unpaid Monthly Servicer Fee for a previous Due Period;

SIXTH, to the Noteholders, the Principal Distribution Amount for such Payment Date;

SEVENTH, if the amount on deposit in the Reserve Account is less than the Reserve Required 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, to each Noteholder, the Contingent Subordinated Notes Interest for such Payment Date and any Contingent Subordinated Overdue Interest due to such Noteholder (and interest thereon);

NINTH, to the Trustee in payment of any reasonable expenses and costs and outstanding indemnities under each of the Facility Documents to which the Trustee is a party, including with respect to replacing the Servicer, any such amounts not paid pursuant to clause FIRST;

TENTH, to the Issuer, any remaining amounts free and clear of the lien of this Indenture.

Section 4.2 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 4.1.

Section 4.3 Payments. On each Payment Date, the Trustee, as Paying Agent, shall distribute to the Noteholders the amounts due and payable under this Indenture, the Series 2017-A Notes and the Note Purchase Agreement. Such payments shall be made as provided in Section 2.16(a).

Section 4.4 Collection Account.

(a) Collection Account. The Trustee, as Paying Agent, for the benefit of the Noteholders, shall establish and maintain in the name of the Trustee, a segregated account (the "Collection Account") designated as the "Sierra Timeshare Conduit Receivables Funding III, LLC Collection Account" bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Noteholders pursuant to this Indenture.

(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 and Paying Agent 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 Section 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 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 Servicer shall provide the Trustee 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 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 all amounts 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 this Indenture.

(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 one Business Day prior to 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 Indenture. 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 shall leave such funds uninvested. 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, 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 Series 2017-A Notes are prepaid as provided in Section 2.19 and Pledged Loans are released as provided in Section 5.4, 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 the payments due in connection with such prepayment and release in accordance with the terms hereof 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 4.5 Control Account. The Issuer has established or has caused to be established and shall maintain or cause to be maintained a system of operations, accounts and instructions with respect to the Obligors and a Control Account at the Control Account Bank as described herein. Pursuant to the Control Agreement to which it is party, the Control Account Bank shall be irrevocably instructed to initiate an electronic transfer of all funds on deposit in the Control Account 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 Control Account. The Trustee is hereby irrevocably authorized and empowered, as the Issuer's attorney-in-fact, to endorse any item deposited in the Control Account, or presented for deposit in the Control Account or a Collection Account, requiring the endorsement of the Issuer, which authorization is coupled with an interest and is irrevocable.

All funds in the Control 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.

Section 4.6 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 (the "Reserve Account") designated as the "Sierra Timeshare Conduit Receivables Funding III, LLC Series 2017-A Reserve Account" bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Noteholders pursuant to this Indenture. 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 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 held in the prior Reserve Account to such new Reserve Account. So long as the Trustee is an Eligible Institution, the Reserve Account may be maintained with it as an Eligible Account.

On the Initial Advance Date and each Addition Date the Issuer shall deposit or shall cause to be deposited into the Reserve Account an amount such that the amount on deposit therein equals the Reserve Required Amount on such date (after giving effect to the addition of the applicable Additional Pledged Loans on such date) and thereafter on each Payment Date if the amount on deposit in the Reserve Account (after giving effect to any deposit of the applicable portion of the proceeds of any Increase on such Payment Date) is less than the Reserve Required Amount, a deposit shall be made to the Reserve Account to the extent of funds available as provided in provision SEVENTH of Section 4.1.

(b) Transfer to Collection Account. On or prior to each Payment Date, prior to the allocation of funds pursuant to Section 4.1 on such Payment Date, the Servicer shall direct the Paying Agent to withdraw from the Reserve Account and deposit into the Collection Account to be included as Available Funds the sum of (i) 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 (1) the amounts required to be applied pursuant to Section 4.1 provisions FIRST through SIXTH on such Payment Date exceed (2) the Available Funds for that Payment Date (calculated without regard to any amounts to be transferred from the Reserve Account) (such excess amount, the "Available Funds Shortfall") and (ii) the excess, if any, of (A) the amount of cash or other immediately available funds on deposit in the Reserve Account on such Payment Date over (B) the sum of (1) the

Reserve Required Amount as of such Payment Date and (2) the Available Funds Shortfall as of such Payment Date. The Trustee shall withdraw such funds from the Reserve Account and deposit them in the Collection Account as directed by the Servicer.

(c) Application on Liquidity Termination Event. Notwithstanding anything contained in the foregoing subsections to the contrary, on the Payment Date immediately following each Liquidity Termination Date on which Exchange Notes are being issued by the Issuer pursuant to Section 2.22, the Trustee, acting at the direction of the Servicer, shall withdraw from the Reserve Account an amount equal to the excess of (i) the amount of cash or other immediately available funds on deposit in the Reserve Account on such Payment Date (after giving effect to any withdrawals pursuant to Section 4.6(b)) over (ii) the Reserve Required Amount as of such Payment Date (after giving effect to the release of any Pledged Loans on such date pursuant to Section 5.5) and pay such amount, free and clear of the Lien of this Indenture, to the trustee under the related Exchange Notes Indenture, for deposit into the reserve account for such Exchange Notes.

(d) [reserved]

(e) Withdrawals from the Reserve Account. The Trustee and Paying Agent shall have the 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 4.6; provided, that the Trustee shall be authorized to transfer funds from the Reserve Account to the Collection Account at the direction of the Servicer as provided in subsection (b) and (c) above.

(f) Termination of Reserve Account. Any funds remaining in the Reserve Account after all Series 2017-A Notes (including both principal and interest thereon) have been paid in full and in cash and all other obligations of the Issuer under the Facility 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 Indenture.

(g) 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 one Business Day prior to 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 (g), 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 4.6, all investment earnings on such funds shall be deemed to be available under this Indenture 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 Indenture.

(h) 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 4.7 Hedge Agreement. The Issuer shall at all times, so long as any Series 2017-A Notes remain unpaid, maintain an interest rate cap with the terms described in this Section 4.7. When all Series 2017-A 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 at least equal to the Notes Principal Amount as of the Initial Advance Date and such notional amount shall amortize on a monthly basis for a term equal to the actual amortization schedule of payments on the Pledged Loans assuming a schedule of payments and prepayments mutually determined by the 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 Servicer and/or its Affiliates, and a copy of which shall be provided to the Funding Agents and Non-Conduit Committed Purchasers);

(b) the Issuer shall, as of each Payment Date and Note Increase 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 or Note Increase Date so that the adjusted notional amount of the Hedge Agreement shall on such Payment Date and Note Increase Date (after giving effect to the Increase on such date) be an amount at least equal to the Notes Principal Amount; the Issuer shall also, on the date of any addition or release of Pledged Loans adjust the Hedge Agreement to reflect the Required Cap Rate, adjustments to the termination date of the Hedge Agreement in accordance with subsection (c) of this Section 4.7 and adjustments to the amortization schedule under the Hedge Agreement in accordance with subsection (a) of this Section 4.7 following such addition or release of Pledged Loans; any additional Premium due for the adjustments to the Hedge Agreement (i) on any Note Increase Date shall be paid by the Issuer from the proceeds of the related Increase, (ii) on any Release Date shall be paid by the Issuer and (iii) on a Payment Date that is not also a Note Increase Date shall be paid as a Hedge Payment under Provision THIRD of Section 4.1;

(c) the Hedge Agreement shall have a termination date equal to the final maturity date of the latest maturing Pledged Loan; 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.

References in this Section 4.7 or otherwise in this Indenture to a notional amount equal to the Notes Principal Amount shall allow for rounding to the nearest $1,000.

Section 4.8 Replacement of Hedge Provider. The Issuer agrees that if any Hedge Provider ceases to be a Qualified Hedge Provider, the Issuer shall have thirty (30) 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 thirty (30) days to again become a Qualified Hedge Provider) or (y) to obtain a substitute Hedge Agreement in form and substance reasonably satisfactory to the Deal Agent together with the related Qualified Hedge Provider's acknowledgment of the Grant by the Issuer to the Trustee of such Hedge Agreement.

ARTICLE V

ADDITION, RELEASE AND SUBSTITUTION OF LOANS

Section 5.1 Addition of the Collateral.

(a) Transfer of Loans. Subject to the limitations and conditions specified in this Section 5.1, the Issuer may from time to time, identify additional Eligible Loans and related Pledged Assets to be granted to the Trustee and transferred to the Collateral Agent for the benefit of the Trustee on behalf of the Noteholders and such Loans and related assets shall be included as Collateral hereunder as provided herein.

(b) The transfer of Pledged Loans and the related Pledged Assets shall be subject to the satisfaction of the following conditions:

(i) at least two (2) Business Days preceding the Initial Advance Date or the proposed Addition Date, the Issuer shall have delivered to the Deal Agent a schedule of such Pledged Loans to be granted to the Trustee and transferred on the Initial Advance Date or such Addition Date and each of such Pledged Loans shall be a Loan sold by a Seller to the Depositor under a Seller Purchase Agreement or a Loan sold by an Approved Seller to the Depositor under an Approved Sale Agreement;

(ii) the Issuer, the Servicer, the Trustee and the Collateral Agent shall execute a Supplemental Grant in substantially the form of Exhibit A and the Servicer shall have delivered a signed copy of such Supplemental Grant to the Collateral Agent and the Trustee;

(iii) the 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 Pledged Loans;

(iv) with the exception of Documents in Transit Loans, on or prior to the Initial Advance Date or the Addition Date the Custodian shall have possession

of each original Pledged Loan and the related Loan File and shall have acknowledged to the Trustee such receipt and its undertaking to hold each such original Pledged Loan and the related Loan File for purposes of perfection of the Collateral Agent's interests in such original 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 Seller Purchase Agreement is not in the possession of the Custodian in its respective Loan File shall 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 Collateral (including in such Pledged Loans) for the benefit of the Trustee for the benefit of the Noteholders;

(vi) each such Pledged Loan shall be an Eligible Loan; and

(vii) if any of such Pledged Loans are Loans acquired by the Depositor under an Approved Sale Agreement the conditions set forth in Section 3.6 shall have been satisfied with respect to such Pledged Loans.

Section 5.2 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 Seller Purchase Agreement to which it is a party or if an Approved Seller is required to repurchase a Defective Loan under the terms of the Approved Sale Agreement to which it is a party, the Issuer shall, on the same date as such Seller or Approved Seller is required to repurchase the Defective Loan, be required either (i) to deposit the Release Price of such Defective Loan into the Collection Account and obtain the release of the Defective Loan from the Lien of this Indenture or (ii) substitute one or more Qualified Substitute Loans for such Pledged Loan as provided in Section 5.2(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 Section 5.2(a) not less than two Business Days prior to the date on which such release is to be effected, specifying (i) the Defective Loan and (ii) either (x) if such Defective Loan is to be repurchased by the Depositor, the Release Price therefor or (y) if such Defective Loan will be replaced with one or more Qualified Substitute Loans, the Substitution Adjustment Amount, if any, with respect thereto. Upon the release of a Defective Loan pursuant to Section 5.2(a) the Issuer shall deposit or cause to be deposited the Release Price or Substitution Adjustment Amount, if any, in the Collection Account no later than 12:00 noon, New York City time, on the 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 Section 5.2(c), the Issuer shall Grant to the Trustee and transfer to the Collateral Agent such Qualified Substitute Loan in the same manner as other Additional Pledged Loans in accordance with Section 5.1 and shall include

such Qualified Substitute Loans in the Additional 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 Loan Balance of the Qualified Substitute Loans will not be less than the Loan 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 Servicer to amend the Series 2017-A 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 Servicer to deliver the amended Series 2017-A Loan Schedule to the Issuer, the Trustee and Collateral Agent.

(d) Upon each release of a Pledged Loan under this Section 5.2, 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 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 immediately preceding the date of release) 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 directed by the Issuer or the Depositor to effect the release of such Defective Loan and the related Pledged Assets pursuant to this Section 5.2. 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 Servicer to delete such Defective Loans from the Series 2017-A Loan Schedule.

(e) The obligation of the Issuer to deposit the Release Price or Substitution Adjustment Amount 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 3.1(t) of this Indenture or the representations of the Seller assigned to the Trustee pursuant to Section 3.4.

Section 5.3 Release of Defaulted Loans. If any Pledged Loan becomes a Defaulted Loan during any Due Period, the Issuer may obtain a release of such Pledged Loan from the lien of this Indenture on any 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 5.3 not less than two Business Days prior to the 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 Business Day prior to the date on which such release is made.

Upon each release of a Pledged Loan under this Section 5.3, 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 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 Indenture. The Collateral Agent and the Trustee shall execute such documents, releases and instruments of transfer or assignment and take such other actions as directed by the Issuer to effect the release of such Defaulted Loans and the related Pledged Assets pursuant to this Section 5.3. 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 Servicer to delete such Defaulted Loans from the Series 2017-A Loan Schedule.

Section 5.4 Release Upon Optional Prepayments. If the Issuer exercises its right to prepay the Series 2017-A Notes in whole or in part as provided in Section 2.19 of this Indenture, 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 Series 2017-A Notes to be prepaid on the prepayment date and the amount of interest and other amounts due and payable on such date in accordance with this Indenture and the Note Purchase Agreement. On the prepayment date, upon receipt by the Trustee of all amounts to be paid to the Noteholders in accordance with this Indenture and the Note Purchase Agreement as a result of such prepayment and the satisfaction of the conditions set forth in the following paragraphs, then, the Collateral Agent and the Trustee shall release from the Lien of this Indenture those Pledged Loans and the related Pledged Assets, all monies due or to become due with respect thereto and all Collections with respect thereto from and including the last day of the Due Period immediately preceding such date of release which the Collateral Agent and Trustee are directed to release as described in the following paragraph.

The Issuer shall provide to the Collateral Agent and the Trustee a list of the Pledged Loans which are to be released, shall direct the Collateral Agent to release such Loans, and shall direct the Servicer to delete such Loans from the Series 2017-A Loan Schedule.

In addition to receipt by the Trustee of the principal amount of the Series 2017-A Notes to be prepaid, the interest thereon and other amounts due and payable in connection with such prepayment and the list of the Pledged Loans to be released, the following conditions shall be met before the Lien is released under this Section 5.4:

(i) After giving effect to such release, no Borrowing Base Shortfall shall exist and no Amortization Event or Event of Default shall have occurred; and

(ii) Each of the Issuer and the Servicer shall have delivered to the Deal Agent a certificate to the effect that the Pledged Loans to be released from the Lien of this Indenture 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 5.5 Release Upon Issuance of Exchange Notes. (a) If the Issuer is required to issue any Exchange Notes on the Payment Date immediately succeeding a Liquidity Termination Date, the Issuer shall notify the Trustee and the Collateral Agent in writing of the aggregate principal amount of the Series 2017-A Notes held by Extending Noteholders to be canceled on such Payment Date. On such Payment Date, upon cancellation of the Series 2017-A Notes held by the Extending Noteholders, then the Collateral Agent and the Trustee shall release from the Lien of this Indenture Pledged Loans with aggregate Loan Balances at least equal to the Extending Noteholders' Percentage of the Aggregate Loan Balance on such Payment Date, and the related Pledged Assets, as the Collateral Agent and the Trustee are directed to release as set forth in Section 5.5(b).

(a) An independent auditor mutually agreeable to the Issuer and the Deal Agent shall select the Loans to be released from the Lien of this Indenture pursuant to this Section 5.5 on a random basis and no selection procedures adverse to the Noteholders or to the holders of the Exchange Notes shall be employed in such selection. The Loans selected to be released from the Lien of this Indenture pursuant to this Section 5.5(b) shall be such that the collateral for the Exchange Notes and the Collateral shall each conform to the criteria set forth in Exhibit H as of the date of the issuance of such Exchange Notes. Such independent auditor shall provide to the Collateral Agent, the Trustee and the Servicer a list of the Pledged Loans which are selected to be released, shall direct the Collateral Agent to release such Loans, and shall direct the Servicer to delete such Loans from the Series 2017-A Loan Schedule.

(b) The Lien on any Pledged Loans shall not be released under this Section 5.5 unless (i) after giving effect to such release, the Borrowing Base shall be at least equal to the Notes Principal Amount, (ii) the amount in the Reserve Account shall be at least equal to the Reserve Required Amount, (iii) no Potential Event of Default, Amortization Event or Event of Default shall exist or would occur as a result of such release, and (iv) each of the Issuer and the Servicer shall have delivered to the Deal Agent a certificate to the effect that the Pledged Loans to be released from the Lien of this Indenture pursuant to this Section 5.5 were not selected in a manner involving any selection procedures 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.

(c) Upon each release of a Pledged Loan under this Section 5.5, 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 Pledged Loan and the Pledged Assets related thereto, all monies due or to become due with respect thereto and all Collections with respect thereto from and including the last day of the Due Period immediately preceding such date of release free and clear of the Lien of this Indenture. The Collateral Agent and the Trustee shall execute such documents, releases and instruments of transfer or assignment and take such other actions as directed by the Issuer to effect the release of such Pledged Loans and the related Pledged Assets pursuant to this Section 5.5.

Section 5.6 Release Upon Payment in Full. At such time as the Series 2017-A Notes have been paid in full, all amounts owing under the Note Purchase Agreement shall have been paid in full, all fees and expenses of the Trustee and the Collateral Agent with respect to Series 2017-A Notes have been paid in full and all obligations relating to the Facility Documents have been paid in full, then, the Collateral Agent shall, upon the written request of the Issuer, release all Liens and assign to the Issuer (without recourse, representation or warranty) all right, title and interest of the 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 directed by the Issuer to release the security interest of the Collateral Agent in the Collateral.

ARTICLE VI

ADDITIONAL COVENANTS OF ISSUER

Section 6.1 Affirmative Covenants.

(a) Compliance with Laws, Etc. The Issuer shall comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties, all Pledged Loans and all 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. The Issuer shall 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. The Issuer shall 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. The Issuer shall 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. The Issuer shall 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 Pledged Assets.

(f) Credit Standards and Collection Policies. The Issuer shall 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) The Issuer shall instruct or cause all Obligors to be instructed to either:

(A) send all Scheduled Payments directly to Post Office Boxes for credit to the Control Account or directly to the Control Account,

(B) 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 to the Control Account or to another account for processing and transfer into the Collection Account, or

(C) make payment by electronic transfer of funds through Western Union to the Control Account or to another account for processing and transfer into the Collection Account.

(2) In the case of funds transfers pursuant to a PAC or Credit Card Account, or through Western Union, take, or cause each of the Servicer, the Control Account Bank and/or the Trustee to take, all necessary and appropriate action to ensure that each such pre-authorized debit or credit card payment or transfer is credited directly to the Control Account or another account for transfer to the Collection Account.

(3) The Issuer shall hold any Collections or other proceeds of the Collateral received directly by it in trust for the benefit of the Trustee and the Noteholders and deposit such Collections into the Control Account or the Collection Account within two Business Days following the Issuer's receipt thereof.

(h) Compliance with ERISA. The Issuer shall 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. The Issuer shall 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 Indenture and in the case of any Timeshare Properties, any Permitted Encumbrance).

(j) No Release. The Issuer shall 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 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 Addition 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 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 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 all the Loan File 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 File 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 Servicer may access the Loan File 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. The Issuer shall 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 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 Indenture 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 the Independent Directors.

(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 two Independent Directors (for purposes hereof, "Independent Directors" means a natural person who, (a) has prior experience as an independent director for a corporation or limited liability company whose charter documents required the unanimous consent of all independent directors thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy, (b) has at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities and (c) for the five-year period prior to his or her appointment as Independent Director has not been, and during the continuation of his or her service as Independent Director is not: (i) an employee, director, stockholder, partner, equity holder, creditor, debtor or officer of the Issuer, the Seller, SDC or any of their Affiliates (other than his or her service as an Independent Director of any special purpose bankruptcy remote entity); (ii) a customer or supplier of the

Company or any of its Affiliates; or (iii) any member of the immediate family of a person described in (i) or (ii)).

(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, except as is consistent with its tax treatment, 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 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.

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

(o) Taxes. The Issuer shall 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. The Issuer shall, for as long as the Series 2017-A Notes are outstanding, not take any action, or fail to take any action, that would cause the Issuer not to remain classified, for federal income tax purposes, as a disregarded entity or a partnership that is not classified as a publicly traded partnership.

(q) Facility Documents. The Issuer shall comply in all material respects with the terms of, employ the procedures outlined in and enforce the obligations of the Depositor under the Depositor Purchase Agreement and of the parties to each of the other Facility Documents to which the Issuer is a party, 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.

(r) Series 2017-A Loan Schedule. The Issuer shall at least once each calendar month, provide to the Trustee an amendment to the Series 2017-A Loan Schedule, or cause the Servicer to electronically provide an amendment to the Series 2017-A Loan Schedule, listing the Pledged Loans added to the Collateral and the Pledged Loans released from the Collateral and amending the Series 2017-A Loan Schedule to reflect terms or discrepancies in such schedule that become known to the Issuer since the filing of the original Series 2017-A Loan Schedule or since the most recent amendment thereto.

(s) Segregation of Collections. The Issuer shall with respect to the Control 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 Control 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 Collection Account; (provided that, the covenant in clause (i) of this paragraph (s) shall not be breached to the extent that funds not constituting Collections in respect of the Pledged Loans are inadvertently deposited into such Control 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 Trustee or the

Deal Agent or as the Servicer, the Trustee or the Deal Agent otherwise deems reasonably necessary or advisable to perfect the Lien created by this Indenture in the Collateral. The 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, the Trustee or the Deal Agent). 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 this Indenture 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 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 under this Indenture (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 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, 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 under this Indenture, 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 Seller 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 6.l(t)(iv) shall be for the sole account and responsibility of the Issuer and payable under Section 13.5 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.

(v) Amendment to Documents. The Issuer shall not enter into any amendment to any of the Facility Documents to which it is a party or consent to any amendment of any Facility Document without the prior written consent of the Majority Facility Investors.

(w) [Reserved].

Section 6.2 Negative Covenants of the Issuer. So long as any of the Series 2017-A Notes are outstanding, the Issuer shall not:

(a) Sales, Liens, Etc., Against Receivables and Related Security. Except for the releases contemplated under 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 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 Collateral under this Indenture. 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. Other than in accordance with Section 7.5(d), extend (other than as a result of a Timeshare Upgrade), 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 Control Account Bank (listed on Exhibit E) or make any change in the instructions to Obligors regarding payments to be made to any Control Account at a Control Account Bank, unless the 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) Control Account in existence; and (iii) prior to the effective date of such addition, termination or change, (x) executed copies of the Control Agreement executed by the new Control Account Bank, the Issuer, the Trustee and the Servicer and (y) copies of all agreements and documents signed by either the Issuer or the Control Account Bank with respect to any new Control Account.

(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) Change in Control. At any time fail to be a wholly owned direct or indirect subsidiary of the Performance Guarantor and 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 Section 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 Facility Documents and any Exchange Notes Indenture.

(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 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 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 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 Depositor 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 Collateral or its chief executive office or principal place of business 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 ten (10) days prior written notice thereof and shall take all action reasonably necessary 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.

(q) Business Names. Use any trade names, fictitious names, assumed names or "doing business as" names.

(r) Subordinated Note. Amend, modify or supplement the Subordinated Note without the prior written consent of the Majority Facility Investors.

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 on behalf of the Noteholders 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 Timeshare Properties, but only to the extent deemed necessary by the Servicer.

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)(ii)).

Wyndham Consumer Finance, Inc. 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 Series 2017-A Loan Schedule. The Servicer shall at all times maintain the Series 2017-A Loan Schedule and electronically provide to the Trustee, the Issuer, the Collateral Agent and the Custodian a current, complete copy of the Series 2017-A Loan Schedule. The Series 2017-A Loan Schedule may be in one or multiple documents including an 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 Timeshare Property, if any, underlying a Pledged Loan or disposing of the underlying Timeshare Property, if any).

(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 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 other than in accordance with Customary Practices.

(e) The Servicer shall have the 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 in accordance with the terms hereof.

Section 7.8 Servicing Compensation. As compensation for its servicing activities hereunder, the Servicer shall be entitled to receive the Monthly Servicer Fee which shall be calculated under this Indenture and be paid to the Servicer pursuant to the terms of this Indenture.

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 herein. 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 Closing Date:

(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.

(b) Due Authorization. The execution and delivery by the Servicer of each of the Facility 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 Facility 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 Facility 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 Facility Documents, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Indenture or any of the other Facility 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 Facility Documents, (iv) seeking any determination or ruling that would adversely affect the validity or enforceability of this Indenture 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 Servicer of this Indenture or of the other Facility 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 Control Account Bank from those listed on Exhibit E or make any change in its instructions to Obligors regarding payments to be made to any Control Account 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 Control Agreement executed by the new Control Account Bank, the Issuer, the Trustee and the Servicer and (y) copies of all agreements and documents signed by either the Issuer or the Control Account Bank with respect to any new Control Account.

(b) Collections. The Servicer shall hold any Collections or other proceeds of the Collateral received directly by it in trust for the benefit of the Trustee and deposit such Collections or other proceeds into 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 the 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 the Control Account, or directly to the Control Account, in each case maintained at a Control Account Bank pursuant to the terms of a Control Agreement,

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

that each such pre-authorized debit is credited directly to the Control Account or the Collection Account;

(3) has authorized Scheduled Payments from a credit card of such Obligor pursuant to a Credit Card Account, and the Servicer has taken all necessary and appropriate action to ensure that each such payment is credited directly to the Control Account or another account for immediate transfer to the Collection Account; or

(4) has authorized electronic transfer of payments through Western Union, and the Servicer has taken all necessary and appropriate action to ensure that each such transfer is credited directly to the Control Account or another account for immediate transfer to the Collection Account.

(g) Relocation of Servicer. The 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 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 each 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) Series 2017-A Loan Schedule. The Servicer will promptly amend the related Series 2017-A Loan Schedule to reflect terms or discrepancies that become known to the Servicer at any time.

(j) Segregation of Collections. The Servicer will, with respect to the Control Account either (i) prevent the deposit into such account of any funds other than Collections in respect of Pledged Loans or (ii) enter into an intercreditor agreement with other entities which have an interest in the amounts in the Control Account to allocate the Collections with respect to 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 (j) shall not be breached to the extent funds not constituting Collections in respect of Pledged Loans are inadvertently deposited into such Control 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 Section 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) Issuer Excluded Excess Amount. If on any Determination Date the weighted average FICO Score of all Loans with an original term of longer than 84 months as of the last day of the immediately preceding Due Period is not at least 655 (the "7-Year Loans Restriction"), then the Servicer shall, at the direction of the Issuer, specify in writing Loans to be included in the FICO Score of 7-Year Loans Excess Amount such that, upon such inclusion, the 7-Year Loans Restriction shall be fulfilled. If on any Determination Date the weighted average FICO Score of all Loans with an original term of longer than 120 months as of the last day of the immediately preceding Due Period is not at least 730 (the "10-Year Loans Restriction"), then the Servicer shall, at the direction of the Issuer, specify in writing Loans to be included in the FICO Score of 10-Year Loans Excess Amount such that, upon such inclusion, the 10-Year Loans Restriction shall be fulfilled.

(o) No Impermissibly Modified Loan. The Servicer shall not take any action that would cause a Loan to be an Impermissibly Modified Loan.

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. 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 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 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; Subservicing. (a) 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, and any such Person to whom such duties have been delegated may be terminated concurrently with the termination of the Servicer hereunder. 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 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.

(b) In addition, the Servicer may service the Pledged Loans or certain portions of the Pledged Loans by retaining the services of a subservicer or subservicers and by entering into subservicing agreements with such subservicers provided, that any such subservicing agreement is not inconsistent with this Indenture. References in this Indenture to action taken or to be taken by the Servicer include actions taken or to be taken by any subservicer retained by the Servicer. As part of its servicing activities hereunder, the Servicer shall monitor the performance and enforce the obligations of each subservicer retained by it. Subject to the terms of any subservicing Agreement, the Servicer shall have the right to remove any subservicer retained by it at any time it considers to be appropriate. Notwithstanding anything to the contrary contained herein, or in any subservicing agreement, the 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 Indenture to the same extent and under the same terms and conditions as if it were servicing and administering the Pledged Loans directly.

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 for the preceding Due Period which are not received on or prior to such Determination 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 Fair Market Value of Defaulted Loans. For the purpose of Section 7.5(f), no Defaulted 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 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 Pledged Loan or Collateral related thereto, the Issuer and the applicable Seller or Originator shall determine the fair market value of such 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 Servicer to each Funding Agent and each Non-Conduit Committed Purchaser. 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 VIII

REPORTS

Section 8.1 Monthly Report to Trustee. On or before 3:00 p.m., New York City time, on the Determination Date prior to each Payment Date, the 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 Article IV, and the 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 Servicer to the Trustee and the Noteholders that such information is true and correct in all material respects. At the option of the Servicer, the Settlement Statement may be combined with the Monthly Servicing Report described in Section 8.2 and delivered to the Trustee as one report.

Section 8.2 Monthly Servicing Reports. On each Determination Date, the Servicer shall deliver to the Trustee, the Issuer and each Rating Agency the Monthly Servicing Report in the form set forth in Exhibit C 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 C, certifying the accuracy of such report and that no Event of Default, Potential Event of Default, Amortization Event or Potential Amortization Event 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, Pledged Loans have become Defective Loans or Defaulted Loans during the preceding Due Period.

Section 8.3 Other Data. In addition, the 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 Servicer's existing data processing system without undue modification or expense; provided, however, nothing in this Section 8.3 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 VIII.

Section 8.4 Annual Servicer's Certificate. The 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, 2017, an Officer's Certificate 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 8.5 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 the Issuer and WCF each certificate and report required to be prepared, forwarded or delivered thereafter pursuant to the provisions of this Article VIII.

Section 8.6 Delivery of Reports to Deal Agent. The Servicer shall on each date it delivers a report to the Trustee under Section 8.1 or 8.2 above deliver a copy of each such report to the Deal Agent, each Funding Agent and each Non-Conduit Committed Purchaser.

Section 8.7 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 Series 2017-A Notes as indebtedness of the Issuer for federal income tax purposes.

ARTICLE IX

INDEMNITIES

Section 9.1 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 Indenture 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 9.2 Tax Indemnification. The Issuer agrees to pay, and to indemnify, defend and hold harmless the Trustee, the Servicer 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, the Servicer 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 Series 2017-A 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 9.3 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, 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 Servicer. This indemnity shall survive any Service Transfer (but a Servicer's obligations under this Section 9.3 shall not relate to any actions of any Successor Servicer after a Service Transfer) and any payment of the amount owing hereunder or under this Indenture or any release by the Issuer of any such Pledged Loan.

Section 9.4 Operation of Indemnities. Indemnification under this Article IX 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 or the Issuer pursuant to this Article IX and if either the Trustee, the Noteholders or the Issuer thereafter collect any of such amounts from others, the Trustee, the Noteholders or the Issuer will promptly repay such amounts collected to the Servicer without interest.

ARTICLE X

AMORTIZATION EVENTS

Section 10.1 Amortization Events. If one or more of the following events shall occur and be continuing:

(a) the Issuer fails to pay in full the Senior Notes Interest due and payable on the Series 2017-A 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 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 2017-A Notes on or before the Mandatory Redemption Date;

(c) any Event of Default occurs;

(d) a Servicer Default occurs;

(e) the amount on deposit in the Reserve Account is less than the Reserve Required Amount for any three consecutive Business Days;

(f) the Four Month Default Percentage as of any Payment Date exceeds 1.50%;

(g) the Three Month Rolling Average Delinquency Ratio as calculated for any Payment Date exceeds 4.50%;

(h) on any Payment Date, the Gross Excess Spread Percentage for the related Due Period is less than 3.50%;

(i) a Change of Control with respect to a Seller (other than WCF, WVRI or WRDC) occurs without the prior satisfaction of the Rating Agency Condition and the prior written consent of the Required Facility Investors, or a Change of Control with respect to the Issuer, the Depositor, WCF, WVRI or WRDC occurs without the prior satisfaction of the Rating Agency Condition and the prior written consent of each Funding Agent and each Non-Conduit Committed Purchaser;

(j) if (i) any WorldMark Loans are then included in the 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 average of the Non-Purchased Default Percentages for the immediately preceding three Due Periods (or, to the extent that less than three Due Periods have occurred since the Closing Date, the average of the Non-Purchased Default Percentages for the number of Due Periods that have actually occurred since the Closing Date) exceeds 0.625%;

(l) the Notes Principal Amount on any Payment Date (without giving effect to any Increase on such date) exceeds the Borrowing Base Amortization Trigger Amount as of such Payment Date and the Issuer fails on such Payment Date either (i) to pay in full an amount of principal on the Series 2017-A Notes equal to such excess or (ii) to pledge Loans as Collateral with Loan Balances in an amount such that the Borrowing Base Amortization Trigger Amount would have been at least equal to the Notes Principal Amount on such date;

(m) an Insolvency Event occurs with respect to any Seller of Series 2017-A Loans or the Parent Corporation;

(n) Wyndham Worldwide fails to perform under the terms of the Performance Guaranty or any Approved Loan Performance Guaranty, or the Performance Guaranty or any Approved Loan Performance Guaranty shall cease to be in full force and effect;

(o) the Notes Principal Amount shall at any time exceed the Adjusted Loan Balance;

(p) 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 (other than any failure described in any other clause of this Section 10.1) 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;

(q) 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;

(r) the Securitized Pool Three Month Rolling Average Delinquency Percentage exceeds 3.75% for four consecutive Payment Dates;

(s) the Securitized Pool Four Month Default Percentage exceeds 1.5% for four consecutive Payment Dates; or

(t) the Three Month Rolling Average Loss to Liquidation Ratio as calculated for any Payment Date exceeds 20.0%;

then, in the case of an event described in any clause except clause (a)(1), (c) or (e) of the Events of Default in Section 11.1, or clause (b) or (m) above, the Deal Agent at the direction of the Majority Facility Investors, or, with respect to an event described in clause (j), (l) or (n), the Deal Agent, at the direction of any Funding Agent or any Non-Conduit Committed Purchaser, by notice given in writing to the Issuer, the 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 (a)(1), (c) or (e) of the Events of Default in Section 11.1, or clause (b) or (m) of this Section 10.1, 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 XI

EVENTS OF DEFAULT

Section 11.1 Events of Default. If any of the following events occur:

(a) Failure on the part of the Issuer (1) to repay the Notes Principal Amount in full on or before the Mandatory Redemption Date, (2) to repay the Notes Principal Amount in full on or before the Maturity Date, (3) to make or cause to be made any payment or deposit required by the terms of this Indenture or any other 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), (4) on or after the Initial Advance Date, to provide a Hedge Agreement meeting the requirements of Section 4.7 and such failure continues for five Business Days, (5) if the Hedge Provider ceases to be a Qualified Hedge Provider, to comply with the requirements set forth in Section 4.8 within the time provided in such Section 4.8, or (6) to duly to observe or perform or cause to be observed or performed any covenant or agreement of the Issuer set forth in this Indenture or any other Facility Document to which the Issuer is a party (other than these events caused in clause (1), (2), (3), (4) or (5) of this subsection), which continues unremedied for a period of 30 days (or five Business Days, in the case of Section 6.1(b), (f), (g)(2) or (g)(3) or 6.2(a), (c), (d), (e), (i), (l), (n), (o) or (p)) after the earlier of (x) 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 (y) 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 this Indenture 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 Pledged Loans and other related 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) (1) an Insolvency Event shall occur with respect to the Depositor or the Issuer, or (2) an Insolvency Event shall occur with respect to any Seller of Series 2017-A Loans 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 Servicer shall have been terminated following a Servicer Default, and a Successor 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 Servicer;

THEN, in the case of the event described in subparagraph (a)(1), (a)(5), (a)(6) or (c)(2), after the applicable grace period, if any, set forth in such subparagraphs, the Majority Facility Investors by notice given in writing to the Issuer (and to the Trustee) may declare that an event of default has occurred as of the date of such notice, and in the case of any event described in subparagraph (a)(2), (a)(3), (a)(4), (b), (c)(1), (d) or (e), an Event of Default shall occur without any notice or other action on the part of the Deal Agent, immediately upon the occurrence of such event and shall continue unless waived in writing by each of the Funding Agents and each of the Non-Conduit Committed Purchasers.

Section 11.2 Acceleration of Maturity; Rescission and Annulment.

(a) If an Event of Default described in paragraph (a)(1), (a)(2), (a)(3), (a)(4), (a)(5), (a)(6), (b), (c)(2), (d) or (e) of Section 11.1 should occur and be continuing, then and in every such case the Majority Facility Investors may declare all the Series 2017-A Notes to be immediately due and payable, by a notice in writing to the Issuer and to the Trustee, and upon any such declaration the unpaid principal amount of the Series 2017-A 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)(1) of Section 11.1 should occur then and in every such case the Series 2017-A 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 2017-A Notes has been accelerated, such acceleration may be rescinded or annulled by each of the Funding Agents and each of the Non-Conduit Committed Purchasers by written notice to the Issuer and the Trustee.

Section 11.3 Collection of Indebtedness and Suits for Enforcement by Trustee. The Issuer covenants that if the Series 2017-A 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 whole amount then due and payable on the Series 2017-A Notes for principal and interest, with interest upon the overdue principal and upon overdue installments of interest 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 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 Series 2017-A Notes to the Trustee for the benefit of the registered Holders to be applied as provided in this Indenture, whether or not the Series 2017-A Notes are overdue.

If the Issuer fails to pay such amounts forthwith upon such demand, then the Trustee for the benefit of the Noteholders and as trustee of an express trust, may, with the prior written consent of or at the direction of the Majority Facility Investors, 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 the 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).

If an Event of Default occurs and is continuing, the Trustee may, and with the prior written consent of or at the direction of the Majority Facility Investors, shall, proceed to protect and enforce its rights and the rights of the Noteholders hereunder and under the Series 2017-A 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 Series 2017-A 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 Series 2017-A Notes 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 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 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 any plan of reorganization, arrangement, adjustment or composition affecting the Series 2017-A Notes 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 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 at the direction of the Majority Facility Investors, 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 Series 2017-A Notes or under this Indenture, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Collateral and the property of the Issuer 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; and

(4) exercise any remedies of a secured party under the UCC with respect to the Collateral and take any other appropriate action to protect and enforce the rights and remedies of the Trustee or the Holders and each other agreement contemplated hereby (including retaining the Collateral pursuant to Section 11.6 and applying distributions from the Collateral pursuant to Section 11.6);

provided, however, that the Trustee may not sell or otherwise liquidate, or direct the Collateral Agent to sell or otherwise liquidate, the Collateral which constitutes Loans and Pledged Assets following an Event of Default other than an Event of Default described in this Indenture

resulting from an Insolvency Event, unless either (i) each of the Noteholders consent thereto, or (ii) the proceeds of such sale or liquidation distributable to the Noteholders are sufficient to discharge in full the amounts then due and unpaid upon the Series 2017-A Notes for principal and accrued interest and the fees and other amounts required to be paid prior to payment of amounts due on the Series 2017-A Notes pursuant to Section 11.6.

For purposes of clause (i) or clause (ii) of the preceding paragraph, 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 Series 2017-A 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 11.5(a), if so provided in this Indenture, the Trustee with the prior written consent of the Majority Facility Investors may, and at the request of the Majority Facility Investors 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 11.6 Application of Monies Collected During Event of Default. If the Series 2017-A Notes have been accelerated following an Event of Default and such acceleration and its consequences have not been rescinded and annulled, and distributions on the Collateral securing the Series 2017-A Notes are not being applied pursuant to Section 11.6, any monies collected by the Trustee pursuant to this Article XI or otherwise with respect to such Series 2017-A Notes shall be applied in accordance with the following order:

FIRST, to the Trustee in payment of the Monthly Trustee Fees and in reimbursement of permitted expenses and indemnities of the Trustee under each of the Facility Documents to which the Trustee is a party; 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, if the Servicer is not Wyndham Consumer Finance, Inc. or an affiliate of the Parent Corporation, to the Servicer, in payment of amounts due and unpaid of the Servicer Fee and, whether or not Wyndham Consumer Finance, Inc. or another affiliate of the Parent Corporation is then the Servicer, to the Servicer in reimbursement of any unreimbursed Servicer Advances;

THIRD, to Noteholders for interest according to the amounts due and unpaid on such Series 2017-A Notes for interest and all other amounts (other than principal of the Series 2017-A Notes) due to the Noteholders under the Facility Documents;

FOURTH, if the Servicer is Wyndham Consumer Finance, Inc. or another affiliate of the Parent Corporation, to the Servicer, in payment of amounts due and unpaid of the Servicer Fee;

FIFTH, to the Noteholders in payment of unpaid principal on the Series 2017-A Notes; provided, however, that, upon the direction of 100% of the Noteholders and to the extent permitted by law as determined solely by 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

SEVENTH, to Issuer, any remaining amounts free and clear of the lien of this Indenture.

Section 11.7 Limitation on Suits by Individual Noteholders. Subject to Section 11.8, 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) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(b) the Majority Facility Investors 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;

(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 Indenture 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 Indenture, except in the manner herein provided.

Section 11.8 Unconditional Rights of Noteholders to Receive Principal and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Series 2017-A Note shall have the right, which right is absolute and unconditional, to receive payment of the principal and interest on such Series 2017-A Note on or after the respective due dates thereof expressed in such Series 2017-A 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.

Section 11.9 Restoration of Rights and Remedies. If the Trustee 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 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 11.10 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 Series 2017-A Notes issued hereunder the Required Facility Investors have the right to waive any Event of Default (other than an Event of Default pursuant to Section 11.1(a)(1)) 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 11.11 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 11.12 Sale of the 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 Series 2017-A Notes and this Indenture 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/or the Collateral Agent (as directed by the Trustee), as applicable, 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 11.13 Action on Series 2017-A Notes. The Trustee's right to seek and recover judgment on the Series 2017-A 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 or upon any of the assets of the Issuer.

Section 11.14 Control by Noteholders. If an Event of Default has occurred and is continuing, the Majority Facility Investors shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Trustee with respect to the Series 2017-A 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

(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.

Section 11.15 Sale of Defaulted Loans After an Event of Default. If an Event of Default has occurred and is continuing, the 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 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 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 Facility Document to which the Servicer is a party and such failure continues unremedied for a period of 20 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 any Noteholder or the Deal Agent;

(c) any representation and warranty made by the Servicer in this Indenture or any other Facility Document to which the Servicer is a party 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 or other Pledged Assets and the Servicer is not in compliance with such representation or warranty within ten 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 any Noteholder or the Deal Agent;

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

(e) the Servicer fails to deliver reports to the Trustee in accordance with Section 8.2 of this Indenture and such failure remains unremedied for five Business Days;

(f) any Indebtedness (as defined in the Revolving Credit Agreement) of the Parent Corporation or any of its Material Subsidiaries (as defined in the Revolving Credit Agreement) exceeding $50,000,000 in the aggregate, is accelerated after default beyond any applicable grace period provided with respect thereto;

(g) the Servicer fails to deliver reports to the Deal Agent in accordance with Section 8.6 of this Indenture and such failure remains unremedied for five (5) Business Days;

(h) so long as WCF is the Servicer, the breach by the Parent Corporation or any of its Affiliates of any covenant under the Revolving Credit Agreement to the extent such covenant requires compliance by the Parent Corporation or its Affiliates with a leverage ratio, an interest coverage ratio, or a minimum EBITDA level, whether or not such breach is waived pursuant to the terms of the Revolving Credit Agreement,

THEN, so long as such Servicer Default shall be continuing, either the Trustee, or the Majority Facility Investors of all Series 2017-A Notes by notice then given in writing to the Servicer and each Rating Agency (and to the Trustee if given by the Majority Facility Investors) (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 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 Majority Facility Investors 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 the Control 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 the Trustee or until a date mutually agreed upon by the Servicer and the Trustee. Upon receipt by the Servicer of a Termination Notice, the Trustee, acting at the direction of the Majority Facility Investors, 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; provided that such appointment shall be subject 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 such arrangements for the compensation of the Successor Servicer as provided in this Indenture. 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 in this Indenture.

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, the Deal Agent 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 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.

Section 12.4 Waiver of Past Defaults. The Majority Facility Investors of all Series 2017-A Notes may, on behalf of all Holders, waive any Servicer Default 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. The current Servicer shall be obligated to pay the costs associated with the transfer of the servicing files and records to the Successor 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.

Neither the Trustee nor any other successor Servicer hereunder shall have any obligation for any action or failure to act on the part of any predecessor Servicer.

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 to the Trustee 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) and the Trustee shall not be required to recalculate, certify, or verify any numerical information in such resolution, certificate, statement, opinion, report, document, order or other instrument unless expressly required under this Indenture.. 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.

(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 willful 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 the Majority Facility Investors 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 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 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 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.

(v) The Trustee shall not be deemed to have actual or constructive notice or knowledge of any event, fact, information, publicly available information or occurrence for any purpose hereunder unless necessary or advisable to perform its express duties under the Facility Documents and until (i) notice shall have been delivered to the Trustee in accordance with Section 15.4 or (ii) a Responsible Officer of the Trustee shall have received written notice or obtained actual knowledge thereof.

(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 Majority Facility Investors 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 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 Indenture, the Trustee shall have no power to dispose of or vary any 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 Indenture, 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 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 related Collection Account, (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, (E) pursue any action hereunder that is not in accordance with applicable law, or (F) supervise, verify, monitor or administer the performance of any other party to the Facility Documents and shall have no liability for any action taken or omitted by any other such party.

(i) Promptly after the occurrence of an Event of Default, and, in any event, within two Business Days thereafter, the Trustee shall notify each Noteholder and each Rating Agency, if any, 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.

(j) Knowledge or information acquired by the Trustee hereunder or under any Facility Document or other document related to this transaction shall not be imputed to any Affiliate of the Trustee and knowledge an Affiliate of the Trustee acquired outside of the transaction contemplated hereby shall not be imputed to the Trustee hereunder.

(k) Any delays in or failure by the Trustee in the performance of any obligations hereunder shall be excused if and to the extent caused by any Force Majeure Event for so long as such Force Majeure Event continues; provided that the Trustee shall use commercially reasonable efforts to resume performance as soon as practicable under the circumstances.

(l) None of the provisions contained in this Indenture shall in any event require the Trustee to perform, or be responsible for the 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.

(m) In no event shall the Trustee be liable for failure to perform its duties hereunder if such failure is a direct or proximate result solely of another party's failure to perform its obligations hereunder.

(n) The Issuer represents that the Series 2017-1 Notes are of the type of debt instruments where payments under such debt instruments may be accelerated by reason of prepayments of other obligations securing such debt instruments.

Section 13.2 Certain Matters Affecting the Trustee. Except for its own gross negligence, reckless disregard of its duties, bad faith or willful 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 or Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge or have received written 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 the Majority Facility Investors; 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;

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

(j) the rights, privileges, indemnities, protections and benefits afforded to the Trustee in its role as Trustee shall be applicable to the Trustee in the performance of any of the duties of the Paying Agent and Note Registrar.

Section 13.3 Trustee Not Liable for Recitals in Series 2017-A Notes or Use of Proceeds of Series 2017-A Notes. The Trustee assumes no responsibility for the correctness of the recitals contained herein and in the Series 2017-A Notes (other than the certificate of authentication on the Series 2017-A 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 Series 2017-A Notes (other than the certificate of authentication on the Series 2017-A 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 Series 2017-A 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 Series 2017-A 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 Series 2017-A Notes; Trustee in its Individual Capacity. Wells Fargo, in its individual or any other capacity, may become the owner or pledgee of Series 2017-A Notes with the same rights as it would have if it were not the Trustee. Wells

Fargo and its Affiliates may generally engage in any kind of business with the Issuer or the Servicer as though Wells Fargo 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 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 9.3, 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 reasonable attorneys' fees, court costs and expenses, including any reasonable attorney's fees, court costs and expenses incurred in any action or suit brought by the Trustee to enforce any indemnification obligation or in connection with any defense by the Trustee against a counterclaim by the Servicer or the Issuer in any such action or suit brought by the Trustee) which may at any time (including without limitation at any time following the termination of this Indenture and payment on account of the Series 2017-A 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 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 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 or assignment of this Indenture, the resignation or removal of the Trustee and all amounts payable on account of the Series 2017-A 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) 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) 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 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 13.6 and the 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 Facility Investors. 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 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, the Servicer or the Majority Facility Investors 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 Facility Investors 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 Servicer and all Noteholders at their addresses as shown in the Note Register.

Section 13.9 Merger or Consolidation of Trustee. The Trustee may merge with any other corporation or banking association. 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, 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 appointment, 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 its 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 Series 2017-A Notes. All rights of action and claims under this Indenture or the Series 2017-A Notes may be prosecuted and enforced by the Trustee without the possession of any of the Series 2017-A 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 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 Noteholders representing the Majority Facility Investors shall, subject to the provisions of Article XI with respect to an Event of Default and Section 12.1 with respect to a Servicer Default, proceed to protect and enforce its rights and the rights of the Noteholders 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 and the Noteholders.

Section 13.13 Rights of Noteholders to Direct the Trustee. The Majority Facility Investors shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the 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, as contemplated by Section 13.2, by such Holders; 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 and validly existing 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 appointed will maintain at its expense in Minneapolis, Minnesota, or New York, New York, an office or offices or agency or agencies where notices and demands to or upon the Trustee in respect of the Series 2017-A Notes

and this Indenture may be served, and each successor Trustee will give prompt written notice to the Issuer, the Servicer and the Noteholders of any change in the location of any such office or agency.

Section 13.16 No Assessment. Wells Fargo’s agreement to act as Trustee hereunder shall not constitute or be construed as Wells Fargo’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. 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.

Section 13.18 Replacement of the Custodian. Each of the Issuer and the Servicer agree not to replace the Custodian unless 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 as hereafter set forth) shall terminate 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 Notes Principal Amount plus all interest accrued on the Series 2017-A Notes through the day preceding such Payment Date plus all other amounts payable pursuant to the Note Purchase 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 and each Rating Agency then rating the Series 2017-A 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, the Noteholders shall surrender their Series 2017-A Notes to the office specified in such request.

Section 14.3 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 14.4 Escheat of Funds.

On or after the final Payment Date, the Noteholders shall surrender their Notes to the Trustee. Subject to applicable laws with respect to the escheat of funds, any money held by the Trustee or the Paying Agent in trust for the payment of any amount due with respect to any Note and remaining unclaimed for six years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer upon the Issuer's written direction and shall be deposited by the Trustee into the Collection Account; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Trustee or the Paying Agent with respect to such trust money shall thereupon cease. If presentation or surrender of a Note is not made within six years of notice of final distribution, no claim may be made in respect of such Note.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.1 Amendment.

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

(i) 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; or

(ii) to modify transfer restrictions on the Series 2017-A Notes, so long as any such modifications comply with the Securities Act and the Investment Company Act;

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), the Issuer shall have delivered to the Trustee an Officer's Certificate of the Issuer, an Officer's Certificate of the Servicer, and an Opinion of Counsel each to the effect that such change will not adversely affect

the rights of any Noteholders and evidence that any additional conditions to such amendment have been satisfied.

Subject to Section 15.1(c), the Trustee is hereby authorized to join in the execution of any such amendment and to make any further appropriate agreements and stipulations that may be therein contained. So long as any of the Series 2017-A Notes are outstanding, at the cost of the Issuer, the Trustee shall provide to each Rating Agency then rating the Series 2017-A Notes a copy of any proposed amendment 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, provide to each Rating Agency a copy of the executed amendment.

(b) Amendments With Consent of the Noteholders. With the consent of the Required Facility Investors and upon satisfaction of the Rating Agency Condition, the Issuer and the Trustee may enter into an amendment 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 Series 2017-A Notes under this Indenture; provided that, no such amendment 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 Collateral to the payment of Series 2017-A Notes or modify the Priority of Payments;

(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, but it shall be sufficient if such consent shall approve the substance thereof. The Trustee will not be permitted to enter into any such amendment if, as a result of such amendment, the ratings of the Series 2017-A 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 Servicer of any amendment pursuant to this Section 15.1(b), the Trustee, at the expense of the Issuer shall mail to the Noteholders and each Rating Agency rating the Series 2017-A Notes, a copy thereof.

(c) Execution of Amendments. In executing or accepting the additional trusts created by any amendment 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 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 which affects the Trustee's own rights, duties or immunities under this Indenture, or otherwise.

(d) Effect of Amendments. Upon the execution of any amendment under this Section 15.1, this Indenture shall be modified in accordance therewith, and such amendment shall form a part of this Indenture for all purposes; and every Holder of a Series 2017-A Note theretofore and thereafter authenticated and delivered hereunder shall be bound thereby.

(e) Reference in Series 2017-A Notes to Amendments. Series 2017-A Notes executed, authenticated and delivered after the execution of any amendment 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. If the Issuer shall so determine, new Series 2017-A Notes, so modified as to conform in the opinion of the Issuer to any such amendment, may be prepared and executed by the Issuer and authenticated and delivered by the Trustee or its authenticating agent in exchange for outstanding Series 2017-A Notes.

(f) Consent of Deal Agent. Notwithstanding any of the foregoing to the contrary, the Issuer shall not enter into any amendment to the Indenture the effect of which would be a material change in the rights or responsibilities of the Deal Agent hereunder without the consent of the Deal Agent.

(g) Consent of Funding Agents and Non-Conduit Committed Purchasers. The Issuer shall not enter into any amendment to the Indenture that would require the consent of each of the Funding Agents and each of the Non-Conduit Committed Purchasers under the Note Purchase Agreement unless such consents have been obtained.

Section 15.2 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 Series 2017-A 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 15.3 Governing Law; Waiver of Jury Trial; Submission to Jurisdiction.

(a) THIS INDENTURE IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING BUT NOT LIMITED TO §5-1401 AND §5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES. EACH OF THE PARTIES HERETO AND THEIR ASSIGNEES AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO AND THEIR ASSIGNEES WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THE PARTIES HERETO IN CONNECTION WITH THIS INDENTURE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 15.4 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 III, LLC
10750 West Charleston Boulevard
Suite 130
Mailstop 2089
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 number: 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
600 S. 4th Street
MAC 9300-061

Minneapolis, MN 55479
Fax number: 612-667-3464
Attention: Jennifer Westberg - Corporate Trust Services Asset-Backed Administration

(or such other address as may be furnished to the Servicer, the Issuer and 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 number: 916-626-3252
Email: michelle.hoff@usbank.com
Attention: Structured Finance Trust Services
Re: Sierra Timeshare Conduit Receivables Funding III, LLC
Series 2017-A

(or such other address as may be furnished in writing to the Trustee, the Issuer
and the Servicer by the Collateral Agent).

If to the Noteholders:

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

If to the Deal Agent:

JPMorgan Chase Bank, N.A.
10 South Dearborn Street
16thFloor
Chicago, Illinois 60603
Fax number: 312-732-3600
Attention: ABS Transaction Management

All communications and notices pursuant hereto to a Noteholder will be given by first-class mail, postage prepaid, to the registered holders of such Series 2017-A 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 15.5 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 Series 2017-A Notes or rights of the Noteholders thereof.

Section 15.6 Assignment. It is agreed by the parties hereto that any action which, under the terms of this Indenture, is stated to be subject to the satisfaction of the Rating Agency Condition, such action shall, without regard to whether or not the satisfaction of the Rating Agency Condition is then actually required pursuant to Section 1.2(d), 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 15.7 [Reserved].

Section 15.8 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 Collateral for filing under the provisions of the UCC of any applicable jurisdiction.

Section 15.9 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 15.10 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 15.11 Third-Party Beneficiaries. This Indenture 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 XV, no other person will have any right or obligation hereunder.

Section 15.12 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 Series 2017-A 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 15.13 Merger and Integration. Except as set forth in the Trustee Fee Letter, and except as specifically stated otherwise herein, this Indenture 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 Indenture and the other Facility Documents. This Indenture may not be modified, amended, waived or supplemented except as provided herein.

Section 15.14 No Bankruptcy Petition. The Trustee, the Servicer, the Collateral Agent, each Noteholder, the Deal Agent, each Funding Agent, each Non-Conduit Committed Purchaser, and each beneficial owner of a Series 2017-A Note or an interest therein, 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 all of the Issuer and the Depositor have paid in full all indebtedness owed by such Person. The provisions of this Section 15.14 will survive any termination of this Indenture.

Section 15.15 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 15.16 Satisfaction of Rating Agency Condition. It is agreed by the parties hereto, that, any action that, under the terms of this Indenture, 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 15.17 Reserved.

Section 15.18 Changes in the Hedge Agreement. The Issuer agrees that it will notify each Rating Agency then maintaining a rating on the Series 2017-A Notes of any amendments to the Hedge Agreement.

Section 15.19 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 Hedge Agreement, the Issuer may, from time to time, enter into derivative financial instruments for the purpose of hedging the Issuer's interest

rate risk in accordance with the terms of the Facility Documents and (b) the Issuer may, in its discretion, terminate, or modify, any such derivative financial instrument in accordance with the terms of the Facility Documents; provided that the Issuer shall not terminate or modify the Hedge Agreement except as provided in this Indenture and solely in accordance with the appropriate mechanism(s) as set forth in the Hedge Agreement, and, with respect to any derivative financial instruments, other than the Hedge Agreement, the Issuer shall not enter into any such instruments unless the Rating Agency Condition has been satisfied with respect to such derivative financial instrument; provided further, however, that, so long as the Hedge Agreement 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 Hedge Provider if the effect of such instrument, termination (or modification) would be to adversely affect the Hedge Provider's ability or right to receive payment under the terms of the Hedge Agreement, 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 Hedge Agreement; and provided further, however, that any termination, modification or replacement with respect to the Hedge Agreement effected otherwise in accordance with this Indenture and the appropriate mechanism(s) as set forth in the Hedge Agreement shall not be subject to the provisions of this Section 15.19.

Section 15.20 Patriot Act.

The parties hereto acknowledge that in accordance with the Customer Identification Program (CIP) requirements established under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107 56 (signed into law October 26, 2001) and its implementing regulations (collectively, the "USA PATRIOT Act"), the Trustee, in order to help fight the funding of terrorism and money laundering, is required to obtain, verify and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. Each party hereto hereby agrees that it shall provide the Trustee with such information as the Trustee may request from time to time in order to comply with any applicable requirements of the USA PATRIOT Act.

[The Remainder of This Page is Intentionally Left Blank.]

IN WITNESS WHEREOF, 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 CONDUIT RECEIVABLES FUNDING III, LLC,
as Issuer

By: /s/ Joseph M. Hollingshead
Name: Joseph M. Hollingshead
Title: President

WYNDHAM CONSUMER FINANCE, INC.,
as Servicer

By: /s/ Joseph M. Hollingshead
Name: Joseph M. Hollingshead
Title: President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Tara H. Anderson
Name: Tara H. Anderson
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, as
as Collateral Agent

By: /s/ Tamara Schultz-Fugh
Name: Tamara Schultz-Fugh
Title: Vice President

SCHEDULE 1

TRUSTEE FEE LETTER

Wells Fargo Bank, N.A
as Trustee for:
Wyndham 2017-A
$750,000,000 Conduit Facility

Schedule of Fees
September 14, 2017

I Account acceptance fee	**$5,000**

This fee covers all initial services. Wells Fargo accepts responsibility to:

- Review and accept the transaction documents
- Execute and deliver the transaction documents
- Establish the necessary records
- Open the various accounts
- Implement the necessary procedures
- Engage the appropriate deal closing and ongoing relationship team

The fee is not contingent on the transaction closing and is payable the earlier of 30 days from acceptance or at closing.

II Counsel fee	**At cost**

Fees for counsel are billed at cost. Fee includes an enforceability opinion. Should other opinions be required, notice will be given in advance concerning the billing of additional amounts. Any out-of-pocket expenses will be billed in addition to the above. Payment of this fee is not contingent on the closing of the transaction.

III Monthly trustee fee	**$1,000**

The fee includes the required duties of the Trustee and all other administrative and reporting functions required of the Trustee under the transaction documents. The fee includes all wire transfer fees. Wells Fargo accepts responsibility to:

- Receive funds into the various trust accounts
- Maintain covenant items required of the Trustee
- Invest trust funds per the Permitted Investments
- Execute payments and fundings
- Distribute reporting including electronically

The fee will be drawn in monthly increments from the waterfall on a priority basis. This fee assumes Wells Fargo is to receive funds for distribution at least one business day prior to distribution date. Funds will remain liquid with Wells Fargo having use of the funds during this time to ensure fund availability for distribution.

IV Extraordinary services fee

• **ABS senior manager or equivalent**	**$350/hr**
• **ABS account manager or equivalent**	**$300/hr**
• **ABS account rep or equivalent**	**$250/hr**
• **ABS administrative staff**	**$125/hr**

Fees for services performed by Wells Fargo that are not specifically covered by the above including but not limited to litigation, bankruptcy, transition time, and default administration. The Extraordinary Services Fee is intended to provide compensation to Wells Fargo (on an hourly basis) for extraordinary services it actually provides above and beyond its normal administrative functions.

V Assumptions and Disclaimers

- The fees set forth above are subject to the review and acceptance of final documentation and are subject to change should the circumstances warrant.

- Additional out-of-pocket expenses may be billed in addition to the above which can include, but are not limited to, travel expenses for trust officers attending out-of-town closings and due diligence visits. Any fees charged for services not specifically covered in this proposal will be assessed in amounts commensurate with the services rendered.

- Fees quoted assume all transaction account balances will be held uninvested, invested in select Wells Fargo deposit products, or invested in money market mutual funds currently available on Wells Fargo's sweep platform.

- Wells Fargo reserves the right to charge a transaction fee for investment activity.

- These materials describe certain services that Wells Fargo Bank, N.A. and its affiliates are able to provide and do not represent an offer to provide any particular services for any specific transaction.

- Quoted pricing, if any, is indicative pricing only and is subject to change without prior notice depending on the actual facts and circumstances of a given transaction.

- These materials do not create any legally binding obligations of Wells Fargo Bank, N.A. and/or its affiliates, and the commencement of the provision of any services is subject to the negotiation and execution of mutually acceptable final written definitive agreements, containing appropriate terms and conditions satisfactory to all parties.

- To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person (individual, corporation, partnership, trust, estate or other entity recognized as a legal person) for whom we open an account.

What this means for you: Before we open an account, we will ask for your name, address, date of birth (for individuals), TIN/EIN or other information that will allow us to identify you or your company. For individuals, this could mean identifying documents such as a driver's license. For a corporation, partnership, trust, estate or other entity recognized as a legal person, this could mean identifying documents such as a Certificate of Formation from the issuing state agency.

Acknowledged this ______ day of ____________, 2017

By: ____

SCHEDULE 2

PURCHASER INVESTED AMOUNT

Conduit or Non-Conduit Committed Purchaser	Alternate Investor	Funding Agent	Commitment Percentage	Purchaser Commitment Amount
Chariot Funding LLC	JPMorgan Chase Bank, N.A.	JPMorgan Chase Bank, N.A.	22.66666667%	$170,000,000
Salisbury Receivables Company LLC	Barclays Bank PLC	Barclays Bank PLC	21.33333333%	$160,000,000
GIFS Capital Company, LLC	Credit Suisse AG, Cayman Islands Branch	Credit Suisse AG, New York Branch	21.33333333%	$160,000,000
Bank of America, N.A.			17.33333333%	$130,000,000
Deutsche Bank AG, New York Branch			17.33333333%	$130,000,000

Exhibit 10.29

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**"), dated as of April 17, 2017, is hereby made by and between Wyndham Worldwide Corporation, a Delaware corporation (the "**Company**"), and Michael Brown (the "**Executive**").

WHEREAS, the Company desires to employ the Executive, and the Executive desires to serve the Company, in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

SECTION I

EFFECTIVENESS

This Agreement will be deemed effective and enforceable by the parties hereto as of the Effective Date (as defined below).

SECTION II

EMPLOYMENT; POSITION AND RESPONSIBILITIES

During the Period of Employment (as defined in Section III below) the Company agrees to employ the Executive and the Executive agrees to be employed by the Company in accordance with the terms and conditions set forth in this Agreement.

During the Period of Employment, the Executive will serve as the Chief Executive Officer of the Company's vacation ownership business, Wyndham Vacation Ownership, Inc. ("**WVO**") and will report to, and be subject to the direction of, the Chairman and Chief Executive Officer of the Company (the "**Supervising Officer**"). The Executive will perform such duties and exercise such supervision with regard to the business of the Company as are associated with his position, such as exercising responsibility for the vacation ownership business segment results, as well as such reasonable additional duties as may be prescribed from time to time by the Supervising Officer. The Executive will, during the Period of Employment, devote substantially all of his time and attention during normal business hours to the performance of services for the Company, or as otherwise directed by the Supervising Officer from time to time. The Executive will maintain a primary office and generally conduct his business in Orlando, Florida, except for customary business travel in connection with his duties hereunder.

SECTION III

PERIOD OF EMPLOYMENT

The period of the Executive's employment under this Agreement (the "**Period of Employment**") will begin on April 17, 2017 (the "**Effective Date**") and will end on April 17, 2020, subject to earlier termination as provided in this Agreement. No later than 180 days prior to the expiration of the Period of Employment, the Company and the Executive will commence a good faith negotiation regarding extending the Period of Employment; provided, that neither party hereto will have any obligation hereunder or otherwise to consummate any such extension or enter into any new agreement relating to the Executive's employment with the Company. For the avoidance of doubt, the Executive will not be entitled to payments pursuant to Section VI of this Agreement by reason of the Company electing to not extend this Agreement or enter into a new agreement with the Executive to extend the Period of Employment, or the Executive electing not to extend this Agreement or enter into a new agreement with the Company to extend the Period of Employment. Notwithstanding anything to the contrary herein, unless otherwise agreed to in writing by the Company, in the event that the Executive does not begin his employment on or before April 17, 2017, then this Agreement and all of the rights and obligations of the parties here under shall terminate and be void and of no force or effect.

SECTION IV

COMPENSATION AND BENEFITS

For all services rendered by the Executive pursuant to this Agreement during the Period of Employment, including services as an executive officer, director or committee member of the Company or any subsidiary or affiliate of the Company, the Executive will be compensated as follows:

A. Base Salary.

During the Period of Employment, the Company will pay the Executive base salary at an annual rate equal to seven hundred thousand dollars ($700,000) commencing effective on the Effective Date, subject to such annual increases as the Compensation Committee (the "**Committee**") of the Company's Board of Directors (the "**Board**"), deems appropriate in its sole discretion ("**Base Salary**"). Base Salary will be payable according to the customary payroll practices of the Company.

B. Annual Incentive Awards.

The Executive will be eligible to earn an annual incentive compensation award in respect of each fiscal year of the Company during the Period of Employment, subject to the Committee's discretion to grant such awards, based upon a target award opportunity equal to 100% of Base Salary earned during each such year, effective April 17, 2017 (with any Annual Incentive Award paid for fiscal year 2017 to be guaranteed at 100% of Base Salary), and subject to the terms and conditions of the annual incentive plan covering employees of the Company, and further subject to attainment by the Company and WVO segment of such performance goals, criteria or targets established and

certified by the Committee in its sole discretion in respect of each such fiscal year (each such annual incentive, an "**Incentive Compensation Award**"). Any earned Incentive Compensation Award will be paid to the Executive at such time as will be determined by the Committee, but in no event later than the last day of the calendar year following the calendar year with respect to which the performance targets relate.

C. Long Term Incentive Awards.

The Executive will be eligible for long term incentive awards as determined by the Committee, and the Executive will participate in such grants at a level commensurate with his position as a senior executive officer of the Company. For purposes of this Agreement, awards described in this paragraph are referred to as "**Long Term Incentive Awards" or "LTIPS** ." Any Long Term Incentive Awards will vest as determined by the Committee, including with respect to any performance-based conditions applicable to vesting, in its sole and absolute discretion, and will be subject to the terms and conditions of the Company's 2006 Equity and Incentive Plan (restated as of February 27, 2014) and any amended or successor plan thereto (the "**Equity Plan**") and the applicable agreement evidencing such award as determined by the Committee.

As promptly as reasonably possible following the Effective Date, the Executive will be awarded, subject to Committee approval, the following equity awards constituting his Long Term Incentive Awards for the 2017 fiscal year: (i) a time-based restricted stock unit ("RSU") grant ("**2017 Annual RSU Grant**"), with the number of such units determined by dividing a grant value of $2,500,000 by the closing market price of the Company's common stock on the date of grant, which shall vest in equal 25% increments annually, subject to the Executive's continued employment with the Company through the respective vesting dates and such other terms and conditions as set forth in the agreement evidencing the 2017 Annual RSU Grant; (ii) a sign-on time-based RSU grant ("Sign-On RSU Grant"), with the number of such units determined by dividing a grant value of $750,000 by the closing market price of the Company's common stock on the date of grant, which shall vest in equal 50% increments on the first and second anniversaries of the date of the grant, subject to the Executive's continued employment with the Company through the respect vesting dates and such other terms and conditions as set forth in the agreement evidencing the Sign-On RSU Grant; and (iii) an LTIP modifier award consisting of performance-vested RSUs, with the number of such units determined by dividing an amount equal to 50% of the grant value of his 2017 Annual RSU Grant by the closing market price of the Company's stock on the date of grant, the vesting of which will be subject to attainment by the Company over the specified performance period of performance goals established and certified by the Committee in its sole discretion, the Executive's continued employment with the Company through the vesting dates and such other terms and conditions as set forth in the agreement evidencing the LTIP modifier award. Each such award will be subject to the terms and conditions of the Equity Plan and the applicable agreement evidencing such award as determined by the Committee.

D. Employee Benefits.

During the Period of Employment, the Company will provide the Executive with employee benefits generally offered to all eligible full-time employees of WVO, and with perquisites generally

offered to similarly situated senior executive officers of the Company, subject to the terms of the applicable employee benefit plans or policies of WVO and/or the Company.

E. Expenses.

During the Period of Employment, the Company will reimburse the Executive for reasonable business expenses incurred by the Executive in connection with the performance of his duties and obligations under this Agreement, subject to Executive's compliance with such limitations and reporting requirements with respect to expenses as may be established by the Company from time to time. The Company will reimburse all taxable business expenses to the Executive promptly following submission but in no event later than the last day of the Executive's taxable year following the taxable year in which the expenses are incurred.

SECTION V

DEATH AND DISABILITY

The Period of Employment will end upon the Executive's death. If the Executive becomes Disabled (as defined below) during the Period of Employment, the Period of Employment may be terminated at the option of the Executive upon notice of resignation to the Company, or at the option of the Company upon notice of termination to the Executive. For purposes of this Agreement, "**Disability**" will have the meaning set forth in Section 409A of the Internal Revenue Code ("**Code**"), and the rules and regulations promulgated thereunder ("**Code Section 409A**"). The Company's obligation to make payments to the Executive under this Agreement will cease as of such date of termination due to death or Disability, except for Base Salary earned but unpaid and any Incentive Compensation Awards earned but unpaid for a prior completed fiscal year, if any, as of the date of such termination, which will be paid in accordance with the terms set forth in Sections IV-A and IV-B, respectively. Notwithstanding the foregoing, the Company will not take any action with respect to the Executive's employment status pursuant to this Section V earlier than the date on which the Executive becomes eligible for long-term disability benefits under the terms of the Company's long-term disability plan in effect from time to time.

SECTION VI

EFFECT OF TERMINATION OF EMPLOYMENT

A . Without Cause Termination and Constructive Discharge. If the Executive's employment terminates during the Period of Employment due to either a Without Cause Termination or a Constructive Discharge (each as defined below), the Company will pay or provide the Executive, as applicable (or his surviving spouse, estate or personal representative, as applicable), subject to Section XIX:

i a lump sum payment equal to 200% multiplied by the sum of (x) the Executive's then current Base Salary, plus (y) an amount equal to the highest Incentive Compensation

Award paid to the Executive (disregarding voluntary deferrals) with respect to the three fiscal years of the Company immediately preceding the fiscal year in which Executive's termination of employment occurs, but in no event will the amount set forth in this subsection (y) exceed 100% of the Executive's then current Base Salary;

ii. subject to Section VI-D below, (x) all time-based Long Term Incentive Awards (including all stock options and stock appreciation rights) granted on or after the Effective Date which would have otherwise vested within one (1) year following the Executive's termination of employment, will vest upon the Executive's termination of employment; and (y) any performance-based Long Term Incentive Awards (including restricted stock units but excluding stock options and stock appreciation rights) granted on or after the Effective Date, will vest and be paid on a pro rata basis (to the extent that the performance goals applicable to the Long Term Incentive Award are achieved), with such proration to be determined based upon the portion of the full performance period during which the Executive was employed by the Company plus 12 months (or, if less, assuming employment for the entire performance period), with the payment of any such vested performance-based Long Term Incentive Awards to occur at the time that the awards are paid to employees generally. The provisions relating to Long Term Incentive Awards set forth in this Section will not supersede or replace any provision or right of the Executive relating to the acceleration of the vesting of such awards in the event of a change in control of the Company or the Executive's death or Disability, whether pursuant to an applicable stock plan document or award agreement;

iii. a two year post-termination exercise period (but in no event beyond the original expiration date) for all vested and outstanding stock appreciation rights and options held by the Executive on the date of termination; and

iv. any of the following amounts that are earned but unpaid through the date of such termination: (x) Incentive Compensation Award for a prior completed fiscal year and (y) Base Salary.

B. Termination for Cause; Resignation. If the Executive's employment terminates due to a Termination for Cause or a Resignation, Base Salary earned but unpaid as of the date of such termination will be paid to the Executive in accordance with Section VI-D below. Outstanding stock options and other equity awards held by the Executive as of the date of termination will be treated in accordance with their terms. Except as provided in this paragraph, the Company will have no further obligations to the Executive hereunder.

C. For purposes of this Agreement, the following terms have the following meanings:

i. "**Termination for Cause**" means a termination of the Executive's employment by the Company due to (a) the Executive's willful failure to substantially perform his duties as an employee of the Company or any of its subsidiaries (other than any such failure resulting from incapacity due to physical or mental illness) or material breach of the Company's Code of Conduct, (b) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Company or any of its subsidiaries, (c) the Executive's conviction or plea of nolo contendere for a felony (or its state law equivalent) or any crime involving moral turpitude or dishonesty (which conviction, due to the passage of time or otherwise, is not subject to further appeal), (d) the Executive's gross negligence in the performance of his duties or (e) the Executive

purposely or negligently makes a false certification regarding the Company's financial statements. The Company will provide written notice to the Executive of its intention to terminate the Executive's employment and that such termination is a Termination for Cause, along with a description of the Executive's conduct that the Company believes gives rise to the Termination for Cause, and provide the Executive with a period of fifteen (15) days to cure such conduct (unless the Company reasonably determines in its sole discretion that the Executive's conduct is not subject to cure) and/or challenge the Company's determination that such termination was a Termination for Cause; provided, however, that (i) the determination of whether such conduct has been cured and/or gives rise to a Termination for Cause will be made by the Company in its sole discretion and (ii) the Company will be entitled to immediately and unilaterally restrict or suspend the Executive's duties during such fifteen (15) day period pending such determination.

ii. "**Constructive Discharge**" means, without the consent of the Executive, (a) any material breach by the Company of the terms of this Agreement, (b) a material diminution in Base Salary, (c) a material diminution in the Executive's authority, duties or responsibilities, or (d) a relocation of the Executive's primary office to a location more than fifty (50) miles from his then current primary business. The Executive must provide the Company a written notice that describes the circumstances being relied on for such termination with respect to this Agreement within thirty (30) days after the event, circumstance or condition first arose giving rise to the notice. The Company will have thirty (30) days after receipt of such notice to remedy the situation prior to the termination for Constructive Discharge.

iii. "**Without Cause Termination**" or "**Terminated Without Cause**" means termination of the Executive's employment by the Company other than due to death, Disability, or Termination for Cause.

iv. "**Resignation**" means a termination of the Executive's employment by the Executive, other than in connection with a Constructive Discharge.

D. Conditions to Payment and Acceleration. In the event of a termination under this Section VI, any earned but unpaid Base Salary as of the date of such termination will be paid in accordance with Section IV-A, and in the event of a Termination Without Cause or a Constructive Discharge, any earned but unpaid Incentive Compensation Award for a prior completed fiscal year as of the date of such termination will be paid in accordance with Section IV-B. All payments due to the Executive under Sections VI-A(i) will be made to the Executive in a lump sum no later than the 60th day following the date of termination; provided however, that (i) all payments and benefits under Sections VI-A(i) - (iii) will be subject to, and contingent upon, the execution by the Executive (or his beneficiary or estate) of a release of claims against the Company and its affiliates in such reasonable form determined by the Company in its sole discretion and (ii) in the event that the period during which the Executive is entitled to consider the general release (and to revoke the release, if applicable) spans two calendar years, then any payment that otherwise would have been payable during the first calendar year will be made on the later of (A) the end of the revocation period (assuming that the Executive does not revoke), or (B) the first business day of the second calendar year (regardless of whether the Executive used the full time period allowed for consideration), all as required for purposes of Code Section 409A. The payments due to the Executive

under Section VI-A will be in lieu of any other severance benefits otherwise payable to the Executive under any severance plan of the Company or its affiliates.

SECTION VII

OTHER DUTIES OF THE EXECUTIVE
DURING AND AFTER THE PERIOD OF EMPLOYMENT

A. The Executive will, with reasonable notice during or after the Period of Employment, furnish information as may be in his possession and fully cooperate with the Company and its affiliates as may be requested in connection with any claims or legal action in which the Company or any of its affiliates is or may become a party. After the Period of Employment, the Executive will cooperate as reasonably requested with the Company and its affiliates in connection with any claims or legal actions in which the Company or any of its affiliates is or may become a party. The Company agrees to reimburse the Executive for any reasonable out-of-pocket expenses incurred by Executive by reason of such cooperation, including any loss of salary due, and the Company will make reasonable efforts to minimize interruption of the Executive's life in connection with his cooperation in such matters as provided for in this Section VII-A.

B. The Executive recognizes and acknowledges that all information pertaining to this Agreement or to the affairs; business; results of operations; accounting methods, practices and procedures; members; acquisition candidates; financial condition; clients; customers or other relationships of the Company or any of its affiliates ("**Information**") is confidential and is a unique and valuable asset of the Company or any of its affiliates. Access to and knowledge of certain of the Information is essential to the performance of the Executive's duties under this Agreement. The Executive will not during the Period of Employment or thereafter, except to the extent reasonably necessary in performance of his duties under this Agreement, give to any person, firm, association, corporation, or governmental agency any Information, except as may be required by law. The Executive will not make use of the Information for his own purposes or for the benefit of any person or organization other than the Company or any of its affiliates. The Executive will also use his best efforts to prevent the disclosure of this Information by others. All records, memoranda, etc. relating to the business of the Company or its affiliates, whether made by the Executive or otherwise coming into his possession, are confidential and will remain the property of the Company or its affiliates.

C.

i. During the Period of Employment (as may be extended from time to time) and the Post Employment Period (as defined below and, together with the Period of Employment, the "**Restricted Period**"), irrespective of the cause, manner or time of any termination, the Executive will not use his status with the Company or any of its affiliates to obtain loans, goods or services from another organization on terms that would not be available to him in the absence of his relationship to the Company or any of its affiliates.

ii. During the Restricted Period, the Executive will not make any statements or perform any acts intended to advance or which reasonably could have the effect of advancing the

interest of any existing or prospective competitors of the Company or any of its affiliates or in any way injuring or intending to injure the interests of the Company or any of its affiliates. During the Restricted Period, the Executive, will not, without the express prior written consent of the Company which may be withheld in the Company's sole and absolute discretion, engage in, or directly or indirectly (whether for compensation or otherwise), own or hold any proprietary interest in, manage, operate, or control, or join or participate in the ownership, management, operation or control of, or furnish any capital to or be connected in any manner with, any party or business which competes with the business of the Company or any of its affiliates, as such business or businesses may be conducted from time to time, either as a general or limited partner, proprietor, common or preferred shareholder, officer, director, agent, employee, consultant, trustee, affiliate, or otherwise. The Executive acknowledges that the Company's and its affiliates' businesses are conducted nationally and internationally and agrees that the provisions in the foregoing sentence will operate throughout the United States and the world.

iii. During the Restricted Period, the Executive will not, without the express prior written consent of the Company which may be withheld in the Company's sole and absolute discretion, directly or indirectly, request or advise any then current client, customer or supplier of the Company to withdraw, curtail or cancel its business with the Company or any of its affiliates, or solicit or contact any such client, customer or supplier with a view to inducing or encouraging such client, customer or supplier to discontinue or curtail any business relationship with the Company or any of its affiliates. The Executive will not have discussions with any employee of the Company or any of its affiliates regarding information or plans for any business intended to compete with the Company or any of its affiliates.

iv. During the Restricted Period, the Executive will not, without the express prior written consent of the Company which may be withheld in the Company's sole and absolute discretion, interfere directly or indirectly with the employees or affairs of the Company or any of its affiliates, or directly or indirectly cause, solicit, entice or induce (or endeavor to cause, solicit, entice or induce) any present or future employee or independent contractor of the Company or any of its affiliates to leave the employ of, or otherwise terminate its relationship with, the Company or any of its affiliates or to accept employment with, provide services to or receive compensation from the Executive or any person, firm, company, association or other entity with which the Executive is now or may hereafter become associated. The Executive hereby represents and warrants that the Executive has not entered into any agreement, understanding or arrangement with any employee of the Company or any of its subsidiaries or affiliates pertaining to any business in which the Executive has participated or plans to participate, or to the employment, engagement or compensation of any such employee.

v. For the purposes of this Agreement, the term "**proprietary interest**" means legal or equitable ownership, whether through stock holding or otherwise, of an equity interest in a business, firm or entity, or ownership of any class of equity interest in a publicly-held company (unless such ownership of a publicly-held company is 5% or less); the term "**affiliate**" includes without limitation all subsidiaries and licensees of the Company; and the term, "**Post Employment Period**" means either (1) if the Executive's employment terminates for any reason at such time following the expiration of the Period of Employment hereunder, a period of one year following

the Executive's termination of employment; or (2) if the Executive's employment terminates during the Period of Employment hereunder, a period of two years following the Executive's termination of employment.

D. The Executive hereby acknowledges that damages at law may be an insufficient remedy to the Company if the Executive violates the terms of this Agreement and that the Company will be entitled, upon making the requisite showing, to preliminary and/or permanent injunctive relief in any court of competent jurisdiction to restrain the breach of or otherwise to specifically enforce any of the covenants contained in this Section VII without the necessity of posting any bond or showing any actual damage or that monetary damages would not provide an adequate remedy. Such right to an injunction will be in addition to, and not in limitation of, any other rights or remedies the Company may have. Without limiting the generality of the foregoing, neither party will oppose any motion the other party may make for any expedited discovery or hearing in connection with any alleged breach of this Section VII.

E. The period of time during which the provisions of this Section VII will be in effect will be extended by the length of time during which the Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

F. The Executive agrees that the restrictions contained in this Section VII are an essential element of the compensation the Executive is granted hereunder and but for the Executive's agreement to comply with such restrictions, the Company would not have entered into this Agreement.

G. Notwithstanding any provision in this Agreement to the contrary, nothing contained in this Agreement is intended to nor shall it limit or prohibit Executive, or waive any right on his part, to initiate or engage in communication with, respond to any inquiry from, or otherwise provide information to, any federal or state regulatory, self-regulatory, or enforcement agency or authority, as provided for, protected under or warranted by applicable law, in all events without notice to or consent of the Company or WVO.

SECTION VIII

INDEMNIFICATION

The Company will indemnify the Executive to the fullest extent permitted by the laws of the state of the Company's incorporation in effect at that time, or the certificate of incorporation and by-laws of the Company, whichever affords the greater protection to the Executive (including payment of expenses in advance of final disposition of a proceeding as permitted by such laws, certificate of incorporation or by-laws).

SECTION IX

MITIGATION

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 X

WITHHOLDING TAXES

The Executive acknowledges and agrees that the Company may directly or indirectly withhold from applicable payments under this Agreement all federal, state, city or other taxes that will be required pursuant to any law or governmental regulation.

SECTION XI

EFFECT OF PRIOR AGREEMENTS

Upon the Effective Date, this Agreement will be deemed to have superseded and replaced each of any prior employment or consultant agreement between the Company (and/or its affiliates, including without limitation, its respective predecessors) and the Executive.

SECTION XII

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.

SECTION XIII

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 as a waiver of anything other than that which is specifically waived.

SECTION XIV

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 XV

ARBITRATION

A. Any controversy, dispute or claim arising out of or relating to this Agreement or the breach hereof (other than with respect to the matters covered by Section VII 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 Jersey, 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 and binding, and judgment on the award may be entered in any court having jurisdiction thereof.

C. Except as otherwise provided in this Agreement, the arbitrator will be authorized to apportion its fees and expenses and the reasonable attorneys' fees and expenses of any such party as the arbitrator deems appropriate. In the absence of any such apportionment, 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 XV has been included to rapidly and inexpensively resolve any disputes between them with respect to this Agreement, and that this Section XV will be grounds for dismissal of any court action commenced by either party with respect to this Agreement, except as otherwise provided in Section XV-A herein, 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 XVI

SURVIVAL

Sections VII, VIII, IX, XI, XII, XIII, XIV, XV, and XVI will continue in full force in accordance with their respective terms notwithstanding any termination of the Period of Employment.

SECTION XVII

SEVERABILITY

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.

SECTION XVIII

NO CONFLICTS

The Executive represents and warrants to the Company that he is not a party to or otherwise bound by any agreement or arrangement (including, without limitation, any license, covenant, or commitment of any nature), or subject to any judgment, decree, or order of any court or administrative agency, that would conflict with or will be in conflict with or in any way preclude, limit or inhibit the Executive’s ability to execute this Agreement or to carry out his duties and responsibilities hereunder.

SECTION XIX

SECTION 409A OF THE CODE

A . Section 409A. Although the Company does not guarantee to the Executive any particular tax treatment relating to the payments and benefits under this Agreement, it is intended

that such payments and benefits be exempt from, or comply with, Code Section 409A and this Agreement will be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A.

B. Separation From Service. A termination of employment will not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits subject to Code Section 409A upon or following a termination of employment unless such termination is also a "Separation from Service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "resignation," "termination," "termination of employment" or like terms will mean Separation from Service.

C. Reimbursement. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit and (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year will not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, and such reimbursement will be made no later than the end of the calendar year following the calendar year in which the expense is incurred, provided, that the foregoing clause will not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

D. Specified Employee. If the Executive is deemed on the date of termination of employment to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code and using the identification methodology selected by the Company from time to time, or if none, the default methodology, then:

i. With regard to any payment, the providing of any benefit or any distribution of equity that constitutes "deferred compensation" subject to Code Section 409A, payable upon separation from service, such payment, benefit or distribution will not be made or provided prior to the earlier of (x) the expiration of the six-month period measured from the date of the Executive's Separation from Service or (y) the date of the Executive's death, to the extent required to comply with Code Section 409A; and

ii. On the first day of the seventh month following the date of the Executive's Separation from Service or, if earlier, on the date of death, (x) all payments delayed pursuant to this Section XIX will be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement will be paid or provided in accordance with the normal dates specified for them herein and (y) all distributions of equity delayed pursuant to this Section XIX will be made to the Executive.

E. Company Discretion. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment will be made within 60 days following the date of termination"), the actual date of payment within the specified period will be within the sole discretion of the Company and the number of days referenced will refer to the number of calendar days.

F. Compliance. Notwithstanding anything herein to the contrary, in no event whatsoever will the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on the Executive by Code Section 409A or any damages for failing to comply with Code Section 409A.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

WYNDHAM WORLDWIDE CORPORATION

By: /s/ Mary R. Falvey

Name: Mary R. Falvey
Title: Executive Vice President and Chief Human Resources Officer

/s/ Michael Brown
Michael Brown

Exhibit 12

WYNDHAM WORLDWIDE CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in millions)

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Earnings available to cover fixed charges:					
Income from continuing operations before income taxes	$ 590	$ 858	$ 837	$ 775	$ 608
Less: Income from equity investees	2	2	2	2	3
	588	856	835	773	605
Plus: Fixed charges	249	229	220	201	225
Amortization of capitalized interest	7	6	5	4	3
Net income attributable to noncontrolling interest	(1)	(1)	—	—	(1)
Less: Capitalized interest	2	5	7	5	5
Earnings available to cover fixed charges	$ 841	$ 1,085	$ 1,053	$ 973	$ 827
Fixed charges (*):					
Interest	$ 230	$ 208	$ 196	$ 180	$ 205
Capitalized interest	2	5	7	5	5
Interest portion of rental expense	17	16	17	16	15
Total fixed charges	$ 249	$ 229	$ 220	$ 201	$ 225
Ratio of earnings to fixed charges	3.38x	4.74x	4.79x	4.84x	3.68x

(*) Consists of interest expense on all indebtedness (including costs related to the amortization of deferred financing costs), capitalized interest and the portion of operating lease rental expense that is representative of the interest factor.

WYNDHAM WORLDWIDE CORPORATION
SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of Organization
Wyndham Worldwide Corporation	Delaware
Wyndham Hotel Group, LLC	Delaware
Wyndham Properties Holdings S.C.S.	Luxembourg
Wyndham Hotel Group International, Inc.	Delaware
Wyndham Destination Network, LLC	Delaware
Wyndham Destination Network Subsidiary, LLC	Delaware
RCI General Holdco 2, LLC	Delaware
EMEA Holdings C.V.	Netherlands
WER Luxembourg I S.á.r.l.	Luxembourg
WER Luxembourg II S.á.r.l.	Luxembourg
Pointlux S.á.r.l.	Luxembourg
Wyndham Vacation Ownership, Inc.	Delaware
Wyndham Vacation Resorts, Inc.	Delaware
Wyndham Consumer Finance, Inc.	Delaware
Sierra Deposit Company, LLC	Delaware
Wyndham Resort Development Corporation	Oregon

Omitted from the list are the names of subsidiaries that, if considered in the aggregate as a single subsidiary, would not constitute a “significant subsidiary” as defined in SEC Regulation S-X.

**WYNDHAM WORLDWIDE
CORPORATION ASSUMED NAMES REPORT**

Entity Name	Assumed Name
Wyndham Resort Development Corporation	Resort at Grand Lake
	Seasons
	Seasons at the Inn of Seventh Mountain
	Seasons at Seventh Mountain
	Seasons Restaurant
	Seventh Mountain
	Seventh Mountain Rafting Company
	Seventh Mountain Resort
	Seventh Mountain River Company
	The Lazy River Market
	Trendwest Resorts
	WorldMark by Wyndham
	WorldMark by Wyndham Travel
Wyndham Vacation Resorts, Inc.	Club Wyndham Travel
	Fairfield Durango
	Fairfield Homes
	Fairfield Land Company
	Fairfield Resorts
	Fairfield Vacation Club
	Glade Realty
	Harbour Realty
	Harbor Timeshare Sales
	Mountains Realty
	Ocean Breeze Market
	Pagosa Lakes Realty
	Real West Discount Adventures
	Red Rock Discount Adventures
	Red Rock West Discount Adventures
	Resort Financial Services
	Sapphire Realty
	Select Timeshare Realty
	Sharp Realty

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-206104 on Form S-3 and in Registration Statement No. 333-136090 on Form S-8 of our report dated February 16, 2018, relating to the consolidated financial statements of Wyndham Worldwide Corporation and subsidiaries (the "Company"), and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Wyndham Worldwide Corporation for the year ended December 31, 2017.

/s/ Deloitte & Touche LLP
Parsippany, New Jersey
February 16, 2018

Exhibit 31.1

CERTIFICATION

I, Stephen P. Holmes, certify that:

1. I have reviewed this Annual Report on Form 10-K of Wyndham Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2018

/S/ STEPHEN P. HOLMES

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Exhibit 31.2

CERTIFICATION

I, David B. Wyshner, certify that:

1. I have reviewed this Annual Report on Form 10-K of Wyndham Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2018

/S/ DAVID B. WYSHNER

CHIEF FINANCIAL OFFICER

Exhibit 32

**CERTIFICATION OF CHAIRMAN AND CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Annual Report of Wyndham Worldwide Corporation (the "Company") on Form 10-K for the period ended December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Stephen P. Holmes, as Chairman and Chief Executive Officer of the Company, and David B. Wyshner, as Chief Financial Officer of the Company, each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ STEPHEN P. HOLMES

STEPHEN P. HOLMES
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
FEBRUARY 16, 2018

/S/ DAVID B. WYSHNER

DAVID B. WYSHNER
CHIEF FINANCIAL OFFICER
FEBRUARY 16, 2018