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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, 2020

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

TRAVEL + LEISURE CO.

(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.)
6277 Sea Harbor Drive	
Orlando, Florida	**32821**
(Address of Principal Executive Offices)	(Zip Code)

(407) 626-5200
(Registrant's telephone number, including area code)

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

Title of each Class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock	TNL	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 every Interactive Data File required to be submitted 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 such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

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, 2020, was $ 2,355,189,546. 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, 2021, the registrant had outstanding 85,931,284 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Proxy Statement prepared for our 2021 Annual Meeting of Shareholders are incorporated by reference into Part III (Items 10, 11, 12, 13 and 14) of this report .

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GLOSSARY OF TERMS

The following terms and acronyms appear in the text of this report and have the definitions indicated below:

Adjusted EBITDA A non-GAAP measure, defined by the Company as Net income from continuing operations before Depreciation and amortization, Interest expense (excluding Consumer financing interest), early extinguishment of debt, Interest income (excluding Consumer financing revenues) and income taxes. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, transaction costs, impairments, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent.
AOCL Accumulated Other Comprehensive Loss
ARDA American Resort Development Association
ARN Alliance Reservations Network
AUD Australian Dollar
Awaze Awaze Limited, formerly Compass IV Limited, an affiliate of Platinum Equity, LLC
Board Board of Directors
CARES Act Coronavirus Aid, Relief, and Economic Security Act
CCPA California Consumer Privacy Act of 2018
Company Travel + Leisure Co. and its subsidiaries
COVID-19 Novel coronavirus global pandemic
Credit Agreement Amendment An amendment to the Company's credit agreement for its revolving credit facility
Distribution Pro rata distribution of Wyndham Hotels' stock to Travel + Leisure's shareholders
Distribution Date May 31, 2018, the date we completed the Spin-off of our hotel business
EPS Earnings/(loss) Per Share
FASB Financial Accounting Standards Board
FTC Federal Trade Commission
GAAP Generally Accepted Accounting Principles in the United States
GDPR General Data Protection Regulation
IRS United States Internal Revenue Service
IRS Ruling A private letter ruling from the IRS regarding certain U.S. federal income tax aspects of transactions related to the Spin-off of Wyndham Hotels & Resorts, Inc.
LIBOR London Interbank Offered Rate
Meredith Meredith Corporation
Moody's Moody's Investors Service, Inc.
NQ Non-Qualified stock options
NYSE New York Stock Exchange
NZD New Zealand Dollar
PCAOB Public Company Accounting Oversight Board
PSU Performance-vested restricted Stock Units
Relief Period Relief period of the Credit Agreement Amendment
RSU Restricted Stock Unit
S&P Standard & Poor's Rating Services
SEC Securities and Exchange Commission
SOFR Secured Overnight Financing Rate
SPE Special Purpose Entity
SpinCo Assets The assets that have been retained by or transferred to Wyndham Hotels & Resorts, Inc.
SpinCo Liabilities The liabilities that have been retained by or transferred to Wyndham Hotels & Resorts, Inc.
Spin-off Spin-off of Wyndham Hotels & Resorts, Inc.
SSAR Stock-Settled Appreciation Rights
Travel + Leisure Travel + Leisure Co. and its subsidiaries
U.S. tax reform Tax Cuts and Jobs Act
Vacasa Vacasa LLC
VIE Variable Interest Entity
VOCR Vacation Ownership Contract Receivable
VOI Vacation Ownership Interest
VPG Volume Per Guest
Wyndham Hotels Wyndham Hotels & Resorts, Inc.
Wyndham Worldwide Wyndham Worldwide Corporation

PART I

Forward Looking Statements

This report includes "forward-looking statements" as that term is defined by the Securities and Exchange Commission ("SEC"). 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," "will," "expects," "should," "believes," "plans," "anticipates," "estimates," "predicts," "potential," "continue," "future" or other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results of Travel + Leisure Co. and its subsidiaries ("Travel + Leisure" or "we") 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, risks associated with the acquisition of the Travel + Leisure brand and all related assets from Meredith Corporation, including unanticipated costs and/or delays, unfavorable reaction by customers, partners, employees, or suppliers, future revenues being lower than expected, failure or inability to implement growth or expansion strategies in a timely manner or at all; local and global political and economic conditions; uncertainty with respect to the scope and duration of the novel coronavirus global pandemic ("COVID-19") and any resurgences and the pace of recovery; the timing of the distribution of an effective vaccine or treatment for COVID-19; the potential impact of the COVID-19 pandemic and governmental, business and individuals' actions in response to the pandemic and our related contingency plans and cost and investment reductions on our business, vacation ownership interest sales and tour flow, consumer demand and liquidity, our ability to comply with financial and restrictive covenants under our indebtedness and our ability to access capital on reasonable terms, at a reasonable cost or at all, our ability and the ability of Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels") to maintain credit ratings, general economic conditions and unemployment rates, the performance of the financial and credit markets, the competition in and the economic environment for the timeshare industry; risks associated with employees working remotely or operating with a reduced workforce; the impact of war, terrorist activity, political strife, severe weather events and other natural disasters, and pandemics (including COVID-19) or threats of pandemics; operating risks associated with the Vacation Ownership (formerly Wyndham Vacation Clubs) and Travel and Membership (formerly Vacation Exchange or Panorama) segments; uncertainties related to our ability to realize the anticipated benefits of the spin-off of the hotel business ("Spin-off") Wyndham Hotels or the divestiture of our North American and European vacation rentals businesses or the acquisition of Alliance Reservations Network ("ARN"); unanticipated developments related to the impact of the Spin-off, the divestiture of our North American and European vacation rentals businesses, the acquisition of ARN and related transactions, including any potential impact on our relationships with our customers, suppliers, employees and others with whom we have relationships, and possible disruption to our operations; our ability to execute on our strategy; the timing and amount of future dividends and share repurchases, if any, and those other factors disclosed as risks under "Risk Factors" in documents we have filed with the SEC, including 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 undertake no 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, as amended ("Exchange Act"), 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.travelandleisureco.com as soon as reasonably practicable after they are filed with or furnished to the SEC.

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

ITEM 1. BUSINESS

Company Overview

On January 5, 2021, Wyndham Destinations, Inc. acquired the Travel + Leisure brand from Meredith Corporation ("Meredith") and subsequently changed its name to Travel + Leisure Co. on February 17, 2021. Travel + Leisure Co. is the world's leading membership and leisure travel company. We provide vacation experiences and travel inspiration to millions of owners and members every year through our products and services. We have two financial reporting segments: Vacation Ownership, which includes the world's largest vacation ownership business with 247 vacation club resort locations across the globe; and Travel and Membership, the world's foremost membership travel business which includes the largest vacation exchange company, industry-leading travel technology, and subscription travel brands. At Travel + Leisure Co., our global team of associates brings hospitality to millions, turning vacation inspiration into exceptional travel experiences. We put the world on vacation.

COVID-19 Pandemic

The results of operations for 2020 include impacts related to the novel coronavirus global pandemic ("COVID-19"), which have been significantly negative for the travel industry, our company, our customers, and our employees. In response to COVID-19, our Vacation Ownership segment temporarily closed its resorts in mid-March 2020 across the globe and suspended its sales and marketing operations. In our Travel and Membership segment, affiliate resort closures and regional travel restrictions contributed to decreased bookings and increased cancellations. As a result, we significantly reduced our workforce and furloughed thousands of associates. As of December 31, 2020, we have reopened 81% of our resorts (92% as of the date of this filing) and reopened 86% of our sales offices (92% as of the date of this filing). Throughout 2020, many of our associates returned to work as locations reopened; however, we exited the year with approximately 5,300 associates either laid off or furloughed. Our reopening plans were negatively impacted in the fourth quarter of 2020 by government shutdowns in California and Hawaii. We estimate that the remaining suspended operations will resume in early 2021.

During the year we have taken significant actions to maximize cash flow. In the first half of the year, we took actions that would have reduced our annualized 2020 operating cost base by approximately $225 million with $60 million of permanent general and administrative cost reductions. Savings related primarily to the impact of staff reductions/furloughs, travel and expense, and a reduction in third party vendor/consulting spend. Since this time 51% of our furloughed employees have returned to work. We reviewed inventory and capital expenditure requirements and reduced both by a combined $133 million for the 2020 fiscal year. Share repurchase activity has also been suspended since March 2020.

As a precautionary measure to enhance liquidity, we drew down our $1.0 billion revolving credit facility at the end of the first quarter, and subsequently issued $650 million senior secured notes, with a portion of these proceeds used to pay down borrowings under our revolving credit facility. We also amended our revolving credit facility and term loan B, which provides flexibility during the relief period spanning from July 15, 2020 through April 1, 2022. See Note 16—*Debt* to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional details.

Given these major events, our revenues were negatively impacted and we incurred $385 million of charges related to COVID-19 during 2020, which are discussed in further detail in Note 26—*COVID-19 Related Items* to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Continuing Operations

We have three branded business lines, Wyndham Destinations, Panorama, and Travel + Leisure Group. These business lines operate independently and each umbrella business line includes multiple brands. Wyndham Destinations is included in the Vacation Ownership (formerly Wyndham Vacation Clubs) reporting segment; Panorama and Travel + Leisure Group are included in the Travel and Membership (formerly Vacation Exchange or Panorama) reporting segment.

- ***Vacation Ownership (comprised of Wyndham Destinations),*** is the world's largest timeshare ownership business with 247 resorts and 867,000 owners. We develop, market, and sell vacation ownership interests ("VOIs") to individual consumers, provide consumer financing in connection with the sale of VOIs, and provide property management services at resorts.
- ***Travel and Membership (comprised of Panorama and Travel + Leisure Group),*** operates a variety of travel businesses, including three vacation exchange brands, a home exchange network, travel technology platforms, travel memberships, and direct-to-consumer rentals. Our RCI vacation exchange business is the world's largest and has 3.7 million members and relationships with 4,200 vacation ownership resorts located in approximately 110 countries and territories. These businesses are primarily Fee-for-Service, selling third-party inventory that provides stable revenue streams and produces strong cash flow.

Our business segments generate a diversified revenue stream and significant cash flow. Prior to the impacts of COVID-19, we generated 46% of our revenues from the sale of VOIs, and 40% of our revenues from our Fee-for-Service businesses. This split was 23% and 53% in 2020 as a result of COVID-19. We derive our fee revenues principally from (i) providing property management services to vacation ownership resorts, (ii) providing vacation exchange services, and (iii) providing services under our Fee-for-Service model in our timeshare business.

Our businesses have both domestic and international operations. During 2020, we derived 88% of our revenues in the U.S. and 12% internationally. For further details on our segment revenues, profits, assets and geographical operations, see Note 24—*Segment Information* to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Business Strategy

Our Travel + Leisure strategic pillars serve to clarify our top priorities in order to enhance shareholder value and return capital to our shareholders through dividends and share repurchases. The four strategic pillars of 1. Customer Obsession, 2. Best-in-Class Sales & Marketing, 3. Leading Brands & Product Innovation, and 4. Operating Excellence, affirm our mindset that customers must dominate our focus, while also reflecting our relentless drive for superior sales and marketing, exceptional brands and products, as well as our commitment to operate all areas of the business with excellence.

Our execution of this strategy is firmly anchored by our culture - the foundation comprised of the shared values, competencies, and spirit of our global team. Aligned with our mission to put the world on vacation, our values are the HEART of Travel + Leisure: Hospitality, Engagement, Accountability, Respect, and Teamwork. We recognize and appreciate our ability to positively impact the lives of our customers, associates, and the communities in which we operate. Travel + Leisure thrives upon the commitment of our 15,500 associates, and we foster a culture that unlocks our full potential for success as a company, and as individual and team contributors.

1. Customer Obsession

Far beyond a hospitality initiative, Customer Obsession is our global credo that the Travel + Leisure team puts affiliates, owners, members, and guests first in all areas of our business. Three straightforward guidelines support this focus and underscore our commitment to excellence in customer service:

- *Make It Easy* – we eliminate pain points across the customer lifecycle. Aligned with our goal to put our owners, members, and guests on vacation, we are enhancing technology to make it easier to search and book reservations. The alignment of our team, systems, and operations enables us to deliver better customer experiences.
- *Know Our Customers* – we use rich customer data to customize engagement. Our investment in integrated Customer Relationship Management ("CRM") throughout the customer lifecycle enables us to understand customer preferences, personalize engagement, and optimize sales, marketing, service and vacation experiences.
- *Customer, Customer, Customer* – we consider the customer experience in every decision. We rely upon customer metrics from Net Promoter Score and Owner Engagement data across the business, and leverage surveys and customer feedback to remain responsive and relevant.

2. Best-in-Class Sales & Marketing

We focus on fueling the continued growth of Travel + Leisure. We will remain globally relevant to travelers by staying committed to innovation and continuing to build and strengthen relationships with our customers. Four core elements define our goals and align with our pledge to treat all customers with respect and integrity:

- *Blue Thread* – we drive revenue through our connection to Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels") and Wyndham Rewards loyalty program customers. The demographics of this significant consumer group are strongly aligned to our owner demographics, enabling us to grow call transfer, cross sell, and onsite marketing to fill our sales pipeline and deliver new vacation experiences to Wyndham loyalists.
- *Digital & Customer Relationship Marketing* – we bring timeshare to the next generation. We will optimize technology to be relevant and compelling to meet our customers' expectations, driving retention through Search Engine Marketing and social channels.
- *Partnership Pipeline* – we leverage the expertise of strategic partners to accelerate our growth and deliver enhanced benefits to our owners and members. We will strengthen and extend existing relationships, while developing new partners to reach untapped segments.
- *Sales Experience* – we invest in the fundamentals as we re-imagine sales centers and processes with the customer experience in mind. These bold transformations modernize and revitalize the customer experience and drive engagement through a single view of the customer.

3. Leading Brands & Product Innovation

We create a simple yet powerful narrative of who we are and what we sell supported by the launch of Travel + Leisure, and the ongoing rebranding of Wyndham Destinations' brands including Club Wyndham and WorldMark by Wyndham, and the refreshed branding of RCI, 7Across, and Love Home Swap. Three core elements define this strategy:

- *Brand Transformation* – we strive to create brand fanatics through strong positioning and differentiation. With a clear value proposition for each of our brands, we remain relevant, and grow affinity and awareness among our diverse

owners, members, and prospects.

- *Network Expansion* – we grow our portfolio of resorts and brands, to meet the needs of our customers. We prioritize geographies that will create new leads around the world, and add depth in existing markets.
- *Product Innovation* – we are investing in brands and technology that will help us launch new products and services which target different demographics from our traditional timeshare demographic. We are launching products and services which appeal to younger demographics seeking increased flexibility with their travel options. Examples include, shorter-term products as well as travel clubs.
- *Panorama Growth* – we leverage our strengths to expand the business into the broader travel market aligned with our strategy to become a leading travel membership provider. We are enhancing the membership experience, and developing new offerings with wide appeal to broaden our demographic reach and grow market share.

4. Operating Excellence

Operating Excellence is the business engine that enables our delivery of great vacations and optimal performance through aligned operations. Two core elements drive this strategy:

- *Resort Operating Excellence* – we deliver great vacation experiences to our owners, members, and guests. The strategic deployment of capital and reserves to maintain top quality resorts, combined with our optimal use of inventory, drives this cycle of excellence.
- *Prioritization* – we operate with discipline as an integrated company. Our alignment around prioritized work and our management of general, administrative, and overhead expenses relative to revenue growth fuels efficiency and effectiveness.

In summary, we believe that the successful execution of our business strategy will allow us to increase cash flows and profitability, creating more value for our shareholders.

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 expanded further through the addition of vacation rentals and vacation ownership businesses. On July 31, 2006, Cendant distributed all of the shares of its subsidiary, Wyndham Worldwide Corporation ("Wyndham Worldwide"), to the holders of Cendant common stock. On August 1, 2006, we commenced "regular way" trading on the New York Stock Exchange ("NYSE") under the symbol "WYN".

On May 31, 2018 (the "Distribution Date"), we established Wyndham Destinations, Inc. and completed the spin-off of our hotel business into a separate publicly traded company, Wyndham Hotels. This transaction was effected through a pro rata distribution of the new hotel entity's stock to shareholders at the time of Wyndham Worldwide (the "Distribution"). In connection with the Spin-off, we entered into certain agreements with Wyndham Hotels to implement the legal and structural separation, govern the relationship between our company and Wyndham Hotels up to and after the completion of the separation, and allocate various assets, liabilities and obligations, including, among other things, employee benefits, intellectual property, and tax-related assets and liabilities between us and Wyndham Hotels. The two public companies have entered 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-selling initiatives.

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 1978, and WorldMark by Wyndham (formerly known as Trendwest Resorts) in 1989.

As noted above under Company Overview, on January 5, 2021, we acquired the Travel + Leisure brand and all related assets from Meredith. The aggregate purchase price was $100 million, comprised of $35 million in cash paid at closing, with trailing payments through June 2024. The acquisition included Travel + Leisure's travel clubs and their nearly 60,000 members. The acquisition created a strategic alliance between Travel + Leisure Co. and Meredith, with Meredith continuing to operate and monetize Travel + Leisure's multi-platform media assets across multiple channels under a 30-year royalty-free, renewable licensing relationship. We also agreed to a five-year marketing commitment across Meredith's portfolio of brands. In connection with this acquisition, on February 17, 2021, Wyndham Destinations, Inc. was renamed Travel + Leisure Co. and will continue to trade on the NYSE under the new ticker symbol TNL.

Our portfolio of well-known hospitality brands was assembled over the past 31 years. The following is a timeline of some of our acquisitions:

Year	Acquisition
1996	Resort Condominiums International (RCI)
2001	Wyndham Vacation Resorts
2002	WorldMark by Wyndham
	Equivest
2012	Shell Vacations Club
2017	Love Home Swap
	7Across, formerly DAE Global Pty Ltd
2019	Alliance Reservations Network
2021	Travel + Leisure

BUSINESS DESCRIPTIONS

The following is a description of our two reporting segments, Vacation Ownership and Travel and Membership, and the industries in which they compete.

VACATION OWNERSHIP

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. VOIs are generally sold through weekly interval or points-based systems. Under a weekly interval system, owners can use a specific unit at a specific resort often during a specific week of the year. Under a 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. For many purchasers, vacation ownership is an attractive alternative to traditional lodging accommodations at hotels. In addition to avoiding variability in room rates, timeshare owners also enjoy accommodations that are, on average, more than twice the size and typically have more features than traditional hotel rooms, such as kitchens, separate living areas, and in-unit laundry.

Typically, developers sell VOIs for a fixed purchase price that is paid in full at closing or financed through developer-offered financing options. Vacation ownership resorts are often operated by a property owners' association of which the VOI owners are members. Most property owners' associations are governed by a board of directors that includes owners and which may include representatives of the developer. The board of the property owners' association typically delegates much of the responsibility for managing the resort to a management company, which is often affiliated with the developer.

After the initial purchase, most vacation ownership programs require the owner to pay an annual maintenance fee. This fee represents the owner's allocable share of the costs and expenses of operating and maintaining the vacation ownership property and providing program services. This fee typically covers expenses such as housekeeping, landscaping, taxes, insurance, resort labor, a management fee payable to the management company, and an assessment to fund a reserve account used to renovate, refurbish and replace furnishings, appliances, common areas and other assets, such as structural elements and equipment, as needed over time. Owners typically reserve their usage of vacation accommodations in advance through a reservation system. These reservation systems are often provided by the management company or an affiliated entity.

Market awareness and acceptance of vacation ownership products has grown with the entrance into the market of well-known lodging and entertainment brands such as Wyndham, Marriott, Hilton, and Disney. Additionally, the industry's growth can also be attributed to stronger consumer protection laws and the evolution from primarily weekly intervals systems to points-based systems. According to the American Resort Development Association ("ARDA"), a trade association representing the vacation ownership and resort development industries, industry-wide sales were divided 80.9% for points-based systems and 19.1% for weekly intervals in 2019.

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;
- certainty of vacations; and
- certainty of quality accommodations.

According to a 2020 report issued by ARDA, domestic vacation ownership sales were $10.5 billion in 2019, compared to $10.2 billion in 2018. Demographic factors explain, in part, the continued appeal of vacation ownership. A 2018 study of recent U.S. vacation ownership purchasers indicated that the average timeshare owner is 44 years old and has an average annual household income of $86,000. More than 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 U.S. has disposable income and is interested in purchasing vacation products. The data also suggests that millennials' perception of the industry and primary reasons for buying their timeshare is similar to the overall population of owners; however, they seek 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.

Vacation Ownership Overview

Our Vacation Ownership reporting segment is comprised of our Wyndham Destinations branded business line, which is the world's largest vacation ownership business. 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, 2020, we had 247 vacation ownership resorts in the U.S., Canada, Mexico, Caribbean, and Asia Pacific that represent over 26,000 individual vacation ownership units and 867,000 owners of VOIs.

Our brands primarily operate points-based vacation ownership systems 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 their existing VOIs.

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

Revenues and Operating Statistics

Our vacation ownership business derives a majority of its revenues from timeshare sales, with the remainder of revenues coming from consumer financing and property management fees.

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

- Gross vacation ownership interest sales or VOIs - Sales of VOIs including Fee-for-Service sales, before the effect of loan loss provisions.
- Tours - Number of tours taken by guests in our efforts to sell VOIs.
- Volume per guest ("VPG") - 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.

Vacation Ownership Brands

We operate under the following brands under Wyndham Destinations:

Club Wyndham. As one of Wyndham Destinations' flagship vacation ownership brands, Club Wyndham gives travelers the chance to live their bucket list and seek new adventures along the way. Spacious suites feature fully equipped kitchens, separate living and dining areas, separate bedrooms, and on-site recreation facilities. Club Wyndham lets travelers experience the best of what the world has to offer, with 150 resorts in top destinations across North America, Asia Pacific, and the Caribbean.

WorldMark by Wyndham. WorldMark promises families more time to be together and more time for new traditions and new discoveries at a resort that feels like home. WorldMark suites provide all the amenities families need - including

fully equipped kitchens, separate living and dining areas, separate bedrooms, and a washer/dryer. WorldMark by Wyndham offers a flexible vacation portfolio, with nearly 100 resorts in a variety of destinations across the U.S., Canada, and Mexico.

Shell Vacations Club. With a 40-year tradition of hospitality and service, Shell Vacations Club members have access to vacation ownership resorts and properties in the heart of culturally rich metropolitan areas, serene mountain communities, and relaxed coastal resort cities. Shell Vacations Club's 25 condo-style resorts are located throughout the U.S. western seaboard, Canada, and Mexico.

Margaritaville Vacation Club by Wyndham. Inspired by the laid-back, adventurous lifestyle of Jimmy Buffett and the escapism of Margaritaville®. Margaritaville Vacation Club delivers a tropical experience through accommodations with a nautical feel, including fully equipped kitchens with a bar area complete with a Frozen Concoction Maker® and relaxing outdoor seating areas. Margaritaville Vacation Club properties include St. Thomas, U.S. Virgin Islands; Rio Mar, Puerto Rico; and Nashville, Tennessee.

Presidential Reserve by Wyndham. Travelers seeking an enhanced vacation experience distinguished by luxurious suites, upgraded amenities, priority access, and other special benefits will enjoy the first-class experiences provided by Presidential Reserve by Wyndham.

Our multi-brand strategy allows us to deliver a broad range of vacation ownership products, locations, and price points to a wide spectrum of travelers. Likewise, it also allows us to pursue development opportunities in a wide range of destinations, including international and urban markets. Having a diverse brand portfolio means we can select the most appropriate brand and development partners to expand our footprint. We have used this advantage to build the largest global footprint in the timeshare industry, with resorts across North America, Asia, the South Pacific, and Caribbean.

	Domestic		International			
	Resorts	**Units**	**Resorts**	**Units**	**Total Resorts**	**Total Units**
Club Wyndham	101	13,935	49	1,887	150	15,822
WorldMark by Wyndham	87	7,075	10	575	97	7,650
Presidential Reserve by Wyndham	18	393	—	—	18	393
Shell Vacations Club	22	1,934	3	292	25	2,226
Margaritaville Vacation Club	3	213	—	—	3	213
Total (including dual-branded resorts)	**231**	**23,550**	**62**	**2,754**	**293**	**26,304**
Less: Dual-branded resorts					(46)	
Total resorts					**247**	

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 our resort-based sales centers as well as 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 resorts. We operate a tele-sales program designed to market upgrade sales to existing owners of our products. Sales of VOIs relating to upgrades represented 73% and 63% of our net VOI sales during 2020 and 2019.

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 Hotels brands, other co-branded marketing programs and events. We also partner with Wyndham Hotels 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 co-sponsor sweepstakes, giveaways and promotional programs with professional teams at major sporting events, and with other third parties at 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 added 12,000 and 36,000 new owners during 2020 and 2019. New owner acquisition in 2020 was negatively impacted by COVID-19 related closures of our resorts and sales centers.

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 U.S., generate substantial tour flow by enabling us to market to tourists already visiting these destinations. 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.

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 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 through our wholly-owned consumer financing subsidiary, Wyndham Consumer Finance. Wyndham Consumer Finance performs loan financing, servicing, and related administrative functions.

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 VOI. The interest rate offered to participating purchasers is determined by an automated underwriting process based upon the purchaser's credit score, and the amount of the down payment. We use a consumer credit score, Fair Isaac Corporation ("FICO"), which 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. For purchasers with large loan balances, we maintain higher credit standards for new loan originations. Our weighted average FICO score on new originations was 735 and 727 for 2020 and 2019.

During 2020, we generated $481 million of new receivables on $920 million of gross vacation ownership sales, net of Fee-for-Service sales, resulting in 52.3% 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 50.9% of vacation ownership sales during 2020.

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 down payment is generally 10%, our average down payment on financed sales of VOIs was 25% and 24% for 2020 and 2019. 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. We assess the performance of our loan portfolio by monitoring numerous metrics including collection 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, 2020, 95% of our loan portfolio was current (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 provide certain accounting and administrative services to property owners' associations. The terms of the property management agreements are generally between three to five 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. As the owner of unsold VOIs, we 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.

Inventory Sourcing

We sell inventory sourced primarily through five channels:

- self-developed inventory;
- Just-in-Time inventory;
- Fee-for-Service;
- consumer loan defaults; and
- inventory reclaimed from owners' associations or owners.

Self-developed inventory. Under the traditional timeshare industry development model, we develop inventory specifically for our timeshare sales. The process often begins with the purchase of land which we then develop. Depending on the size and complexity of the project, this process can take up to several years, but usually takes less.

Just-in-Time inventory. Our Just-in-Time inventory acquisition 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.

Fee-for-Service. In 2010, we introduced the first of our Fee-for-Service models. 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 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. 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.

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, 2020, Inventory on the Consolidated Balance Sheets included estimated inventory recoveries on loan defaults of $246 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 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 goal is to strengthen our leadership position in the vacation ownership industry and generate consistent and long-term value for our shareholders. To achieve this goal, we intend to pursue the following strategies:

Use our diverse brands to enter new and underpenetrated geographies and broaden our demographic reach. Our unique mix of brands coupled with our large, global footprint provides us with a strategic advantage when adding new inventory in target markets. We expect to use this advantage to grow our customer base by expanding our product offerings in existing markets and entering new, underpenetrated markets.

In our existing markets, we intend to grow our product offerings by adding new brands, either within an existing resort or at a new development. By having multiple brands within a single location, we are able to offer different products at different price points, thereby increasing our addressable market. For example, in Las Vegas, our second and third brands represent over 51%

of our sales. In Nashville, our ability to offer a lifestyle brand, Margaritaville Vacation Club by Wyndham, resulted in our selection as a partner in a new hotel development in the popular "SoBro" district.

The breadth of our offerings also allows us to enter new markets with the appropriate brand and product mix. For example, in one of our newest timeshare markets, Austin, we offer two products, one targeted to new owners and the other targeted to existing owners, which allows us to appeal to a broader audience of customers. Additionally, we use our brand portfolio, combined with our strong sales and marketing platform, to penetrate non-traditional but attractive timeshare markets such as the Wisconsin Dells, where we are the only major hospitality brand.

Increase new owner sales to drive long-term growth As part of our strategy, we seek to increase the percentage of our VOI sales from new owners, which will enable us to drive long-term revenue and earnings growth. On average, new owners double their initial VOI purchase within six years, resulting in predictable, high-margin future revenue streams. We plan to leverage our industry-leading sales and marketing platform to attract new owners by expanding our call transfer capabilities, leveraging our relationship with Wyndham Hotels, enhancing our marketing alliances, growing our Community Marketing Presence ("CMP"), and adding resorts in new markets.

Maximize our relationship with Wyndham Hotels. We have a long-term, exclusive license agreement and marketing arrangements with Wyndham Hotels, the world's largest hotel franchiser, based on number of properties, with 20 iconic brands and more than 8,900 affiliated hotels located in nearly 95 countries. The Wyndham loyalty program, Wyndham Rewards, has earned accolades as the world's most generous loyalty program, spanning more than 30,000 hotels, vacation club resorts, and vacation rentals globally. For the third consecutive year, in 2020, Wyndham Rewards was recognized as the best hotel loyalty program in the USA Today 10Best Readers' Choice Awards.

We plan to significantly increase this sales channel with initiatives such as enhanced call transfers, online marketing, in-hotel marketing, and online rentals of vacation ownership resorts. In addition, Wyndham Rewards redemption options into our resorts provide enhanced tour flow opportunities. Cross-marketing to existing guests of Wyndham Hotels and members of Wyndham Rewards has proven to be more efficient than traditional marketing efforts. VPG on affinity marketing tours is higher than other tours, helping to increase margins on new owner sales. We believe further developing this affinity relationship, which currently represents only a small portion of VOI sales, offers a significant new owner growth opportunity that is more profitable than other new owner marketing channels.

Wyndham Rewards, with over 86 million enrolled members, many of whom fit our target new customer demographic, provides us with a substantial customer sourcing opportunity to drive future VOI sales.

Maintain a capital-efficient inventory sourcing strategy to produce attractive returns and cash flow. Vacation Ownership pioneered capital-efficient inventory sourcing in 2010. We have a diverse inventory sourcing model, including self-developed inventory, Just-in-Time inventory, Fee-for-Service inventory, and buyback programs that allow us to generate VOI sales. Our capital-efficient inventory sourcing strategy has significantly increased return on invested capital since 2010.

The scale and breadth of our brand and product offerings give us unparalleled access to inventory sources, including innovative capital-efficient opportunities, which gives us the ability to select the most attractive development options.

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, revenue from sales of VOIs are generally higher in the third quarter than in other quarters.

Competition

Our vacation ownership business competes with other timeshare developers for sales of VOIs based principally on location, quality of accommodations, price, service levels and amenities, financing terms, quality of service, terms of property use, reservation systems, flexibility for members to exchange into time at other timeshare properties or other travel rewards, including access to hotel loyalty programs, as well as brand name recognition and reputation. We also compete for property acquisitions and partnerships with entities that have similar investment objectives as we do. There is also significant competition for talent at all levels within the industry, in particular for sales and management. Competitors range from small, independent vacation ownership companies, to large branded hospitality companies, all operating vacation ownership businesses involved in the development, finance, and operation of timeshare properties. Our primary competitors in the

timeshare space include Marriott Vacations Worldwide, Hilton Grand Vacations, Disney Vacation Club, Holiday Inn Club Vacations, Bluegreen Vacations, and Diamond Resorts International.

In addition, our timeshare business competes with other entities engaged in the leisure and vacation industry, including resorts, hotels, cruises and other accommodation alternatives, such as condominium and single-family home rentals. We also compete with home and apartment sharing services (such as Airbnb and VRBO) that operate websites that market privately owned residential properties that can be rented on a nightly, weekly or monthly basis. In certain markets, we compete with established independent timeshare operators, and it is possible that other potential competitors may develop properties near our current resort locations. In addition, we face competition from other timeshare management companies in the management of resorts on behalf of owners on the basis of quality, cost, types of services offered and relationship.

The timeshare industry has experienced significant consolidation over the last fifteen years, which may increase competition. Additionally, competition in the vacation ownership industry may increase as private competitors become publicly traded companies or existing publicly traded competitors spin-off their vacation ownership operations, increasing the number of competitors in a highly fragmented industry.

For example, in September 2018, Marriott Vacations Worldwide acquired Interval Leisure Group, Inc., which operates the Interval International exchange program. Prior to that acquisition, Interval Leisure Group, Inc. had acquired Hyatt Residence Club in October 2014 and the timeshare operations of Starwood Hotels & Resorts Worldwide, Inc. in May 2016 (which includes the use of Westin and Sheraton brands for timeshare purposes), known as Vistana Signature Experiences, Inc. Diamond Resorts International, Inc. completed the acquisition of the timeshare business of Gold Key Resorts in October 2015 and the timeshare business of Intrawest Resort Club Group in January 2016. Most recently, in January 2021, Marriott Vacations Worldwide announced an agreement to acquire Welk Resorts.

In January 2017, Hilton Worldwide Holdings Inc. completed the spin-off of its vacation ownership operations and Hilton Grand Vacations Inc. is now a separate publicly traded company. In November 2017, Bluegreen Vacations Corporation completed an initial public offering that resulted in approximately 10% of its stock being held by the public. Competitors that are publicly traded companies may benefit from a lower cost of, and greater access to, capital, as well as more focused management attention.

Consolidation may create competitors that enjoy significant advantages resulting from, among other things, a lower cost of, and greater access to, capital and enhanced operating efficiencies.

We generally do not face competition in our consumer financing business to finance sales of our VOIs. We do face competition from financial institutions providing other forms of consumer credit, which may lead to full or partial prepayment of our timeshare financing receivables.

TRAVEL AND MEMBERSHIP

Industry

A large segment of worldwide leisure travel is delivered through non-traditional channels that provide broader options and flexibility, including vacation exchange and travel memberships. These non-traditional accommodations provide leisure travelers with flexibility and access to a wide variety of accommodation options that include membership platforms, such as timeshare exchange, closed user group, and home exchange.

Travel and membership is a Fee-for-Service industry that offers services and products through several business to business (“B2B”) and business to consumer (“B2C”) channels, including timeshare developers and owners, white-labeled third party travel clubs and also directly to travel club members.

Vacation Exchange. To participate in a vacation exchange, generally a timeshare owner deposits their interval from a resort, or points from their club or resort, into a vacation exchange company’s network thereby receiving 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.

Vacation ownership clubs, such as Club Wyndham, 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. Memberships in such 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 exchange members, but negatively impacts the number of vacation exchange transactions per member and revenue per member for vacation exchange companies as members exchange more often within their respective clubs.

Travel and Membership Overview

Our Travel and Membership segment is comprised of our branded business lines, Panorama and Travel + Leisure Group, which operates a variety of travel businesses, including three vacation exchange brands, a home exchange network, travel technology platforms, travel memberships and direct-to-consumer rentals. These businesses are primarily Fee-for-Service, selling third-party inventory that provides stable revenue streams and produces strong cash flow.

We are an internationally recognized leader in travel, and operate the world's largest vacation exchange network based on the number of members and affiliated resorts. Through our collection of vacation exchange brands, we have 3.7 million paid member families. Each year, we retain more than 86% of the exchange memberships through our RCI, 7Across, and Love Home Swap networks. 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 one or two 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 or direct consumer outreach. Members receive periodicals and other communications published by us and, for additional fees, may use the vacation exchange program and other services that provide the ability to protect trading power or points, extend the life of a deposit, and 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 4,200 affiliated vacation ownership resorts in approximately 110 countries and territories located in North America, Latin America, the Caribbean, Europe, the Middle East, Africa, and Asia Pacific. We tailor our strategies and operating plans for each region where we have, or seek to develop, a substantial member base.

Travel and Membership offers travel membership solutions on a B2B and B2C basis. These travel clubs provide benefits to members including among others, discounted travel options. Whether on a B2B basis, through Panorama Travel Solutions, or B2C through Travel + Leisure Group, our members are generally charged a membership fee and then pay an additional fee based on transactions.

Revenues and Operating Statistics

Travel and Membership derives the majority of its revenues from annual membership dues and fees for facilitating vacation exchanges and other travel accommodations and services. We also generate revenue from programs with affiliated resorts, club servicing, and loyalty programs, as well as additional products that provide exchange members with 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 single customer, developer, or group accounts for more than 10% of our revenues.

Performance in our Travel and Membership business has been measured by the following key operating statistics through 2020:

- Average number of members - Represents paid members in our vacation exchange programs who are current on their annual membership dues.
- Exchange revenue per member - Represents total revenues generated from fees associated with memberships, exchange transactions, and other servicing for the period divided by the average number of vacation exchange members during the period.

Given recent acquisitions, we will be reporting the following key operating metric for our Travel and Membership segment in 2021:

- Transactions – Represents the number of vacation transactions booked during the period, net of cancellations.

Our Brands

We operate under the following brands within Panorama:

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 choose 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. RCI also offers enhanced membership tiers (Gold and Platinum), which provide additional benefits to members.

Panorama Travel Solutions. Panorama Travel Solutions offers global discount travel membership clubs and custom travel technology solutions to B2B affinity partners including large employers, banks and retailers, trade associations and others via their operations in the U.S., Mexico, Asia, and Europe. From off-the-shelf house brands to bespoke travel clubs, Panorama Travel Solutions delivers the perfect solution for its partners based on their unique needs. Driven by Panorama's vision to widen the scope of business, Panorama Travel Solutions is dedicated to growing its position within group tourism by offering new platforms and expanded products to its affinity partners.

Alliance Reservations Network. Founded in 1995, ARN is a travel technology provider that offers private-label travel booking technology solutions to affiliates and group travel planners. These travel booking solutions are highly configurable and offer unique benefits to our partners. ARN's relationships with major global travel suppliers offer substantial discounts on travel and accommodations as a benefit to closed user groups such as employee benefit programs, professional associations, and other paid membership groups. Additionally, ARN's group travel planning solution helps to automate the process of contracting, booking, and managing the entire lodging process for group events.

7Across, formerly DAE. Founded in 1997, 7Across 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. 7Across offers weeks, points, and club owners a simple exchange system with modest support services, enabling them to enjoy resort style accommodations around the world.

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 The Registry Collection 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.

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 Europe, as well as presence in the U.S. and Australia.

We will operate the following brands under our new Travel + Leisure Group in 2021:

BookTandL.com. This brand's website serves as both a research and transaction platform, providing consumers a single destination for every aspect of their vacation planning and booking journey.

Travel + Leisure Travel Clubs. This will include the two Travel + Leisure travel clubs acquired in January 2021 as well as a new subscription travel club to be launched in 2021.

Travel + Leisure Group will be launching and cultivating a number of brands and websites over the next twelve months and beyond in order to leverage the Travel + Leisure brand.

Inventory

The properties our business makes available to travelers include vacation ownership and fractional resorts, homes, private residence clubs, and traditional hotel rooms. Only in rare cases do we acquire and take title of inventory, as our network supply is owned and provided by third-party affiliates and suppliers. We offer travelers flexibility to select preferred travel dates in a variety of lodging options. We leverage inventory comprised of VOIs and independently owned properties across our network of brands to maximize value for affiliates and members.

Customer Development

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

We also affiliate with affinity groups outside of the vacation ownership industry, primarily through our ARN business. These affiliates include employee benefit plans, professional associations, and other paid membership groups. These affiliates bring end user customers to our solutions via private label booking websites, which ultimately drives revenue-generating transactions for us.

Panorama Travel Solutions seeks to develop relationships with organizations, companies, or groups that are interested in providing travel benefits to their members to enhance customer loyalty, and in many cases, generate incremental fee streams. Panorama Travel Solutions will provide white-label services to its customers and will revenue-share or perform services for a fee, with its customers.

Travel + Leisure Group will develop relationships directly with consumers through quality content and by marketing to Travel + Leisure magazine subscribers and followers.

Loyalty Program

RCI's loyalty program, RCI Elite Rewards, offers a co-branded credit card to members. The card allows members to earn reward points that can be redeemed for items related to our RCI 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.

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.

Part of our strategy has been to enhance and expand our online distribution channels, including global partnerships with several industry-leading online travel and distribution partners in order to streamline inventory connectivity and guest experience. This will continue to enhance our value proposition with members and accelerate revenue growth, while also allowing for more transactional business online to reduce reliance on call center support, thereby generating cost savings.

The requests we receive at our global call centers are handled by our vacation guides, who are trained to fulfill requests for vacation exchange. Call centers remain an important vacation exchange 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 brands in 24 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 also have a comprehensive strategy for communicating to customers using a variety of digital and social channels such as Facebook, Google, Instagram, Twitter, Pinterest, and YouTube. We use our resort directories and periodicals related to the vacation industry for marketing as well as for member retention and loyalty.

Strategy

Our strategy is to expand beyond our core vacation exchange model into the broader leisure travel market to become a leading travel membership provider. Our Panorama growth plan leverages our legacy of innovation, technology, and analytics expertise as well as our membership capabilities to fuel our growth and achieve our goals. We intend to pursue the following key strategic initiatives:

Broaden our business beyond core exchange

We will continue to selectively pursue business opportunities to offer services to travelers both within and outside of our traditional member base in order to leverage our existing brands and scale, as well as enhance and grow the recently acquired ARN business. Our goal will be to serve as a true end-to-end travel provider, illustrating our expertise across the full spectrum of travel, vacation, and holidays.

Identify new capital efficient sources of supply

We have identified consumer demand for destinations where we have limited supply. We plan to leverage our scale, technology platforms, and robust industry relationships to secure new sources of supply with favorable pricing to enhance our inventory profile and satisfy our customer demand.

Offer new and innovative products to re-ignite our brands and further enhance the membership experience

We plan to continue our focus on Customer Obsession by offering more ways for customers to use their membership for global travel and vacations. Our goal is to simplify the exchange process and provide a more expansive offering of quality destination options and travel products.

Develop new solutions in partnership with our club affiliates to increase overall engagement with the club member population

While club owners have been the largest growing segment of our member base, club revenue per member is lower than our overall average due to a wide array of vacation options within the clubs, causing a reduced propensity for club owners to transact with our networks. We see opportunity to improve club engagement by working more closely with our club affiliate partners to drive additional value proposition in their owner base. We can achieve this by enhancing our technology platforms, providing innovative new product offerings, and enabling time flexibility to help owners avoid expiration of their club currency by depositing into our exchange programs.

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.

Competition

Our global exchange business competes with other worldwide vacation exchange companies, most notably Interval International, certain timeshare developers and clubs that offer vacation exchange through their own internal networks of properties. This 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 non-exchange Travel and Membership businesses compete more broadly with the larger universe of leisure travel options including traditional travel agents, online travel agents, and travel clubs.

INTELLECTUAL PROPERTY

Our business is affected by our ability to protect against infringement of our intellectual property, including our trademarks, service marks, logos, trade names, domain names, and other proprietary rights. The foregoing segment descriptions specify the brands that are used by each of our segments. Our subsidiaries actively use or license for use all significant marks and domain names, and we own or have exclusive licenses to use these marks and domain names. In connection with the Spin-off, we entered into a license, development and noncompetition agreement with Wyndham Hotels, which, among other things, granted to Travel + Leisure the right to use the “Wyndham” trademark, “The Registry Collection” trademark, and certain other trademarks and intellectual property in our business. See “Key Agreements Related to the Spin-Off—License, Development and Noncompetition Agreement” for more information. We register the marks that we own in the U.S. 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.

GOVERNMENT REGULATION

Our business is subject to various international, national, federal, state and local laws, regulations, and policies in jurisdictions in which we operate. Some laws, regulations, and policies impact multiple areas of our business, such as securities, anti-discrimination, anti-fraud, data protection and security and anti-corruption and bribery laws and regulations or government economic sanctions, including applicable regulations under the U.S. Treasury’s Office of Foreign Asset Control and the U.S. Foreign Corrupt Practices Act (“FCPA”). The FCPA and similar anti-corruption and bribery laws in other jurisdictions

generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or generating business. Other laws, regulations, and policies primarily affect one of our areas of business: inventory sourcing activities; sales and marketing activities; purchaser financing activities; and property management activities.

Inventory Sourcing Regulation

Our inventory sourcing activities are regulated under a number of different timeshare, condominium, and land sales disclosure statutes in many jurisdictions. We are generally subject to laws and regulations typically applicable to real estate development, subdivision, and construction activities, such as laws relating to zoning, land use restrictions, environmental regulation, accessibility, title transfers, title insurance, and taxation. In the U.S., these include the Fair Housing Act and the Americans with Disabilities Act of 1990 and the Accessibility Guidelines promulgated thereunder. In addition, we are subject to laws in some jurisdictions that impose liability on property developers for construction defects discovered or repairs made by future owners of property developed by the developer.

Sales and Marketing Regulation

Our sales and marketing activities are highly regulated. In addition to regulations implementing laws enacted specifically for the timeshare industry, a wide variety of laws and regulations govern our sales and marketing activities, including regulations implementing the USA PATRIOT Act, Foreign Investment In Real Property Tax Act, the Federal Interstate Land Sales Full Disclosure Act and fair housing statutes, U.S. Federal Trade Commission ("FTC") and states' "Little FTC Acts" and other regulations governing unfair, deceptive or abusive acts or practices including unfair or deceptive trade practices and unfair competition, state attorney general regulations, anti-fraud laws, prize, gift and sweepstakes laws, real estate, title agency or insurance and other licensing or registration laws and regulations, anti-money laundering, consumer information privacy and security, breach notification, information sharing and telemarketing laws, home solicitation sales laws, tour operator laws, lodging certificate and seller of travel laws, securities laws, and other consumer protection laws.

We must obtain the approval of numerous governmental authorities for our sales and marketing activities. Changes in circumstances or applicable law may necessitate the application for or modification of existing approvals. In addition, many jurisdictions, including many jurisdictions in the U.S., require that we file detailed registration or offering statements with regulatory authorities disclosing information regarding our VOIs, such as information concerning the intervals being offered, the project, resort or program to which the intervals relate, applicable timeshare plans, evidence of title, details regarding our business, the purchaser's rights and obligations with respect to such intervals, and a description of the manner in which we intend to offer and advertise such intervals.

When we sell VOIs, local law grants the purchaser of a VOI the right to cancel a purchase contract during a specified rescission period following the later of the date the contract was signed or the date the purchaser received the last of the documents required to be provided by us.

In recent years, regulators in many jurisdictions have increased regulations and enforcement actions related to telemarketing operations, including requiring adherence to the federal Telephone Consumer Protection Act and "do not call" legislation. These measures have significantly increased the costs associated with telemarketing, in particular with respect to telemarketing to mobile numbers. While we continue to be subject to telemarketing risks and potential liability, we believe that our exposure to adverse effects from telemarketing legislation and enforcement is mitigated in some instances by the use of permission-based marketing in which we obtain permission to contact prospective purchasers in the future. We have also implemented procedures to comply with federal and state "do not call" regulations including subscribing to the federal do not call registry and certain state "do not call" registries as well as maintaining an internal "do not call" list.

Purchaser Financing Regulation

Our purchaser financing activities are subject to a number of laws and regulations including those of applicable supervisory agencies such as, in the U.S., the Consumer Financial Protection Bureau, the FTC, and the Financial Crimes Enforcement Network. These laws and regulations, some of which contain exceptions applicable to the timeshare industry, may include, among others, the Real Estate Settlement Procedures Act and Regulation X, the Truth In Lending Act and Regulation Z, the Federal Trade Commission Act, the Equal Credit Opportunity Act and Regulation B, the Fair Credit Reporting Act, the Fair Housing Act and implementing regulations, the Fair Debt Collection Practices Act, the Electronic Funds Transfer Act and Regulation E, unfair, deceptive or abusive acts or practices regulations and the Credit Practices rules, the USA PATRIOT Act, the Right to Financial Privacy Act, the Gramm-Leach-Bliley Act, the Servicemembers Civil Relief Act, and the Bank Secrecy Act. Our purchaser financing activities are also subject to the laws and regulations of other jurisdictions, including, among others, laws and regulations related to consumer loans, retail installment contracts, mortgage lending, fair debt collection and

credit reporting practices, consumer debt collection practices, mortgage disclosure, lender or mortgage loan originator licensing and registration and anti-money laundering.

Property Management Regulation

Our property management activities are subject to laws and regulations regarding community association management, public lodging, food and beverage services, liquor licensing, labor, employment, health care, health and safety, accessibility, discrimination, immigration, gaming, and the environment (including climate change). In addition, many jurisdictions in which we manage our resorts have statutory provisions that limit the duration of the initial and renewal terms of our management agreements for property owners' associations.

HUMAN CAPITAL

Employee Profile

Aligned with our mission to put the world on vacation, we are committed to responsible tourism and the best interests of people and places around the world. We recognize our employees as associates who bring our mission to life through their service to the world's leading membership and leisure travel company.

Oversight and Management

Our Human Resources organization is tasked with managing employment-related matters, including recruiting and hiring, onboarding, compensation planning, performance management, and professional development. Our Board of Directors ("Board") and its committees also provide oversight on certain human capital matters, including diversity and inclusion initiatives. Our Corporate Governance Committee periodically reviews matters of corporate social responsibility and sustainability performance, including potential long and short term trends and impacts of environmental, social, and governance issues that touch on human capital matters. Our Compensation Committee is responsible for periodically reviewing our human capital programs, policies and procedures (except to the extent within the purview of the Corporate Governance Committee), including management succession planning, and development. The Compensation Committee is also responsible for periodically reviewing incentives and risks relating to our compensation programs and arrangements. Furthermore, our Audit Committee discusses compliance risks related to human capital matters and periodically reviews and updates our Code of Business Conduct and Ethics to promote ethical behavior by all of our associates.

As the unprecedented events of 2020 suspended global travel, we recalibrated operations and drove agile, sustained connectivity to our worldwide team of associates. We executed a workforce transformation aligned with the closure and reduction of operations around the world. Efficiencies in staffing were achieved through the layoff or furlough of 9,000 associates in March 2020. Benefits were provided to associates for the duration of their furlough. As of December 31, 2020, 4,800 of our furloughed associates have returned to work and we have rehired 300 associates who were previously laid-off.

As of December 31, 2020, our global team was comprised of more than 15,500 associates, more than 3,000 of whom work outside the U.S. 12,600 associates support Vacation Ownership, 2,400 associates support Travel and Membership, and 500 associates comprise our corporate group. Nearly one percent of our associates are subject to collective bargaining agreements governing their employment with our company.

Employee Development

We seek to attract and retain top talent through our commitment to shared values and competencies, and the development of each associate as an integral contributor to our business and our culture. Our internal pipeline of talent is strengthened by our ability to help associates develop knowledge, skills, and a network of supporters throughout their career. We promote four competencies for all associates: Customer Obsession, Decision Velocity, Transparency, and Empowerment. Associates are encouraged to master these competencies through individual development plans, performance reviews, and training. Examples of our employee development programs and initiatives include:

- Global Learning and Development: Our proprietary Destination U resource is a comprehensive solution that puts the ownership of each associate's career development directly into their hands. By fostering growth potential for all associates at Travel + Leisure Co., we enable each individual to clearly understand their role in the context of the larger organization and to access development courses designed specifically to further their development.
- Programs focused on career progression include: formal talent reviews, succession planning, high-potential associate development programs, executive coaching, leader onboarding plans, new leader orientation, new leader transition training, and tuition and certification reimbursement.

Inclusion and Diversity

We understand that a culture of rich inclusion and diversity enhances our performance and ability to serve our customers. We strive to cultivate an inclusive environment where each individual is embraced as they are, and where each associate feels appreciated, respected, and valued as a contributor at every level within the organization.

- Our inclusive talent acquisition strategy focuses on developing a diverse pipeline of candidates that includes applicants from a variety of backgrounds, cultures, and experiences. This includes women, diverse ethnicities, veterans, LGBTQ+, those with disabilities, generational diversity, and more.
- Our Global Inclusion and Diversity Council ("GIDC") is comprised of an associate-led global team of diverse senior and executive leaders. The mission of the GIDC is to foster, cultivate, and design actions to strengthen our culture and global communities, through inclusion, equitable opportunities, and social justice.
- We host voluntary, associate-led Diversity Resource Groups for our Black/African American, Hispanic/LatinX, LGBTQ+, Veteran, and Women associates. Diversity Resource Groups foster affiliation with colleagues across the business, and are designed to enable the personal growth, professional development, and retention of diverse talent. Participants have the opportunity to develop their careers through learning, leadership exposure, and business engagement. Our partnerships with Inclusion and Diversity organizations at national and regional levels provide a platform for our associates to develop leadership skills and gain Inclusion and Diversity education, while executives are given the opportunity to showcase thought leadership at sponsored programs and events.
- Our roadmap to drive progress in Inclusion and Diversity is guided by our goals of continuing to enhance a diverse talent pipeline to increase women and diverse representation at the Director and above level, continued focus on diverse hires at all levels, and maintaining and growing our business relationships with companies that have diverse ownership.

We remain committed to Listen, Learn, and Act to sustain engagement and responsiveness. Travel + Leisure Co. President and CEO Michael Brown signed the CEO Diversity Action Pledge in partnership with the CEO Action for Diversity & Inclusion, joining more than 1,600 global organizations who have pledged to act on supporting a more inclusive workplace for employees, communities, and society at large. Also in 2020, Brown was among 75 Central Florida leaders to sign the first-ever Orlando Economic Partnership Regional Corporate Pledge, committing to act for racial diversity, equity, and inclusion.

Competitive Pay/Benefits

We offer a comprehensive total rewards program designed to attract and retain top talent to fuel our business success and to reward performance. Our total rewards package reflects our commitment to our associates and includes competitive pay, healthcare benefits, retirement savings plans, paid time off including parental leave, and other mental health and well-being support. Approximately 98% of our associates are eligible to participate in a retirement plan sponsored by the Company or a mandatory pension plan in their country of residence, subject to plan terms. We also have an Employee Stock Purchase Plan with a 10% discount from the fair market value at the grant date available to approximately 80% of our associates. We regularly review our design and offerings to ensure alignment with country and regional competitive practices.

We believe in performance-based variable compensation programs that support a high performance environment. Below officer level all of our managers participate in an annual incentive plan that most closely aligns with their role. Our sales and marketing associates at all levels across our business lines participate in variable compensation plans aligned to their role. Over 50% of all our global associates participate in a variable pay incentive pay program.

Health & Safety

The health and safety of our associates is of the utmost importance. In response to the global pandemic, we created a COVID-19-specific plan for the safety and well-being of our associates, guests, and customers. This plan mirrored the direction from the Center for Disease Control and Prevention guidelines for the United States and other equivalent government agencies in the regions where we operate globally.

Our response to the COVID-19 pandemic outlined our commitment to the health and safety of our associates. Our global strategy is aligned by our We'll Be Ready return to work plan, a comprehensive resource outlining the protocols and actions we take to protect our associates including:

- Transitioning associates to work from home, wherever possible
- Mandatory onsite temperature checks and health screening
- Requiring the use of masks onsite
- Promotion of onsite social distancing
- Requiring sick associates to stay home

- Immediate contact tracing response
- Enhanced onsite cleaning protocols in alignment with CDC, WHO, and OSHA protocols
- Enhanced safety and health training specific to COVID-19

SOCIAL RESPONSIBILITY

We are committed to delivering shareholder and stakeholder value through our Social Responsibility program Full Circle, which remains an integral part of our company culture and global business operations. We strive to cultivate an inclusive environment, in which our associates, customers, suppliers, and communities feel appreciated, respected, and valued. In 2020, we continued to strengthen our impact across four core pillars of Social Responsibility: Environmental Sustainability, Inclusion & Diversity, Philanthropy, and Ethics & Human Rights.

We are committed to sustainable business practices with a focus on social responsibility. Our 2025 environmental goals are to reduce carbon emissions by 40% and water consumption by 25% at our owned, managed, and leased assets (based on square foot intensity) compared to our 2010 baseline. As of December 31, 2020, we had reduced carbon emissions intensity by 29% and already reduced our water usage intensity by greater than 25% as compared to our 2010 baseline, while increasing our overall portfolio square footage by 16%. Progress towards our goals is measured through our environmental management system, the WYND Green Toolbox. Our goals will be achieved through innovative programs and the implementation of efficiency projects aimed at responsible tourism. We have also set a goal to plant two million trees by 2025. Part of our innovative approach to carbon sequestration measures is addressed through annual reforestation projects, protection of existing forests, and the sourcing of carbon neutral coffee. Our ongoing commitment to optimize solar resources includes the implementation of 17 onsite solar projects to-date.

With a focus on improving the lives of children and families through vacations, we support charitable organizations with a similar focus and mission. Our philanthropic efforts drive support for organizations including Give Kids the World Village, Jack and Jill Late Stage Cancer Foundation, and our Associate Relief Fund. Our decades long history of partnership with Christel House International supports educational opportunities for children in underserved global communities. Additionally, through contributions to Step Up for Students, we support providing low income families in Florida the opportunity to choose the best education for their children.

We remain committed to the highest standards of ethics, integrity, and responsible business practices across our global operations. Published in 13 languages, our associate Code of Conduct reinforces ethical practices including the equal and fair treatment of associates, owners, and guests; health and safety; conflicts of interest; protecting our information; anti-corruption; and financial and reporting integrity. We encourage the reporting of any concerns without fear of retaliation through channels including our 24-hour Wyntegrity internal reporting hotline. Aligned with our stand against human trafficking, and in partnership with ECPAT International, we are the first vacation ownership company to sign the Tourism Child Protection Code of Conduct, and to enforce required training and education for associates globally in order to protect children from exploitation.
For additional information on our social responsibility activities and initiative visit our website at investor.travelandleisureco.com/governance/Social-Responsibility.

ENVIRONMENTAL COMPLIANCE

Our compliance with federal, state and local 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.

KEY AGREEMENTS RELATED TO THE SPIN-OFF

This section summarizes the material agreements between Travel + Leisure and Wyndham Hotels that govern the ongoing relationships between the two companies after the Spin-off. Additional or modified agreements, arrangements, and transactions, which would be negotiated at arm's length, may be entered into in the future. These summaries are qualified in their entirety by reference to the full text of the applicable agreements, which are incorporated by reference herein.

As of May 31, 2018, when the Spin-off was completed, Travel + Leisure and Wyndham Hotels operate independently, and neither company has any ownership interest in the other. Before the Spin-off, we entered into a Separation and Distribution Agreement and several other agreements with Wyndham Hotels related to the Spin-off. These agreements govern the relationship following completion of the Spin-off and provide for the allocation of various assets, liabilities, rights, and obligations. The following is a summary of the terms of the material agreements we entered into with Wyndham Hotels. The following summaries do not purport to be complete and are qualified in their entirety by reference to the full text of each

agreement, which is incorporated by reference into this Annual Report on Form 10-K included in Part IV, Item 15 as Exhibits 2.5, 10.53, 10.54, 10.55, and 10.56.

Separation and Distribution Agreement

We entered into a Separation and Distribution Agreement with Wyndham Hotels regarding the principal actions taken or to be taken in connection with the Spin-off. The Separation and Distribution Agreement provides for the allocation of assets and liabilities between Travel + Leisure and Wyndham Hotels and establishes certain rights and obligations between the parties following the Distribution.

Transfer of Assets and Assumption of Liabilities. The Separation and Distribution Agreement provides for those transfers of assets and assumptions of liabilities that are necessary in connection with the Spin-off so that Travel + Leisure and Wyndham Hotels allocated the assets necessary to operate its respective business, and retains or assumes the liabilities allocated to it in accordance with the separation plan. The Separation and Distribution Agreement also provides for the settlement or extinguishment of certain liabilities and other obligations among Travel + Leisure and Wyndham Hotels. In particular, the Separation and Distribution Agreement provides that, subject to certain terms and conditions:

- The assets that have been retained by or transferred to Wyndham Hotels ("SpinCo assets") include, but are not limited to:
    - all of the equity interests of Wyndham Hotels;
    - any and all assets reflected on the audited combined balance sheet of the Wyndham Hotels businesses;
    - any and all contracts primarily relating to the Wyndham Hotels businesses; and
    - all rights in the "Wyndham" trademark and "The Registry Collection" trademark, and certain intellectual property related thereto.
- The liabilities that have been retained by or transferred to Wyndham Hotels ("SpinCo liabilities") include, but are not limited to:
    - any and all liabilities (whether accrued, contingent or otherwise, and subject to certain exceptions) to the extent primarily related to, arising out of or resulting from (i) the operation or conduct of the Wyndham Hotels businesses or (ii) the SpinCo assets;
    - any and all liabilities (whether accrued, contingent or otherwise) relating to, arising out of or resulting from any form, registration statement, schedule or similar disclosure document filed or furnished with the SEC, to the extent such filing is either made by Wyndham Hotels or made by us in connection with the Spin-off, subject to each party's indemnification obligations under the Separation and Distribution Agreement with respect to any misstatement of or omission to state a material fact contained in any such filing to the extent the misstatement or omission is based upon information that was furnished by such party;
    - any and all liabilities relating to, arising out of, or resulting from any indebtedness of Wyndham Hotels or any indebtedness secured exclusively by any of the Wyndham Hotels assets; and
    - any and all liabilities (whether accrued, contingent or otherwise) reflected on the audited combined balance sheet of the Wyndham Hotels businesses.
- Wyndham Hotels assumes one-third and Travel + Leisure assumes two-thirds of certain contingent and other corporate liabilities of Travel + Leisure and Wyndham Hotels ("shared contingent liabilities") in each case incurred prior to the Distribution, including our liabilities related to, arising out of or resulting from (i) certain terminated or divested businesses, (ii) certain general corporate matters of Travel + Leisure, and (iii) any actions with respect to the separation plan or the Distribution made or brought by any third party;
- Wyndham Hotels is entitled to receive one-third and Travel + Leisure is entitled to receive two-thirds of the proceeds (or, in certain cases, a portion thereof) from certain contingent and other corporate assets of Travel + Leisure and Wyndham Hotels ("shared contingent assets") arising or accrued prior to the Distribution, including our assets related to, arising from or involving (i) certain terminated or divested businesses, and (ii) certain general corporate matters of Travel + Leisure;
- In connection with the sale of our European vacation rentals business, Wyndham Hotels assumed one-third and Travel + Leisure assumed two-thirds of certain shared contingent liabilities and certain shared contingent assets. Such shared contingent assets and shared contingent liabilities include: (i) any amounts paid or received by Travel + Leisure in respect of any indemnification claims made in connection with such sale, (ii) any losses actually incurred by Travel + Leisure or Wyndham Hotels in connection with its provision of post-closing credit support to the European vacation rentals business, in the form of an unsecured guarantee, letter of credit or otherwise, in a fixed amount to be

determined, to ensure that the European vacation rentals business meets the requirements of certain service providers and regulatory authorities, and (iii) any tax assets or liabilities related to such sale;

- Except as otherwise provided in the Separation and Distribution Agreement or any ancillary agreement, the corporate costs and expenses relating to the Spin-off will be paid by the party with whom such costs were incurred, from a separate account maintained by each of Wyndham Hotels and Travel + Leisure and established prior to completion of the Spin-off on terms agreed upon by Wyndham Hotels and Travel + Leisure and, to the extent the funds in such separate account are not sufficient to satisfy such costs and expenses, be treated as shared contingent liabilities (as described above); and
- All of our assets and liabilities (whether accrued, contingent or otherwise) other than the SpinCo assets and SpinCo liabilities, subject to certain exceptions (including the shared contingent assets and shared contingent liabilities), have been retained by or transferred to Travel + Leisure, except as set forth in the Separation and Distribution Agreement or one of the other agreements described below.

Release of Claims and Indemnification. Travel + Leisure and Wyndham Hotels have agreed to broad releases pursuant to which each releases the other and certain related persons specified in the Separation and Distribution Agreement from any claims against any of them that arise out of or relate to events, circumstances or actions occurring or failing to occur or alleged to occur or to have failed to occur or any conditions existing or alleged to exist at or prior to the time of the Distribution. These releases are subject to certain exceptions set forth in the Separation and Distribution Agreement and the ancillary agreements. The Separation and Distribution Agreement provides for cross-indemnities that, except as otherwise provided in the Separation and Distribution Agreement, are principally designed to place financial responsibility for the obligations and liabilities of Wyndham Hotels' business with Wyndham Hotels, and financial responsibility for the obligations and liabilities of Travel + Leisure's business with Travel + Leisure. Specifically, each party will, and will cause its subsidiaries to, indemnify, defend and hold harmless the other party, its affiliates and subsidiaries and each of its and their respective officers, directors, employees and agents for any losses arising out of, by reason of or otherwise in connection with:

- the liabilities each such party assumed or retained pursuant to the Separation and Distribution Agreement;
- any misstatement of or omission to state a material fact contained in any party's public filings, only to the extent the misstatement or omission is based upon information that was furnished by the indemnifying party (or incorporated by reference from a filing of such indemnifying party) and then only to the extent the statement or omission was made or occurred after the Spin-off; and
- any breach by such party of the Separation and Distribution Agreement or any ancillary agreement unless such ancillary agreement expressly provides for separate indemnification therein, in which case any such indemnification claims will be made thereunder.

The amount of each party's indemnification obligations are subject to reduction by any insurance proceeds received by the party being indemnified. Except in the case of tax assets and liabilities related to the sale of our European vacation rentals business, indemnification with respect to taxes are governed solely by the Tax Matters Agreement.

Employee Matters Agreement

We are party to an Employee Matters Agreement with Wyndham Hotels that governs the respective rights, responsibilities and obligations of Wyndham Hotels and Travel + Leisure following the Spin-off. The Employee Matters Agreement addresses the allocation of employees between Wyndham Hotels and us, defined benefit pension plans, qualified defined contribution plans, non-qualified deferred compensation plans, employee health and welfare benefit plans, incentive plans, equity-based awards, collective bargaining agreements and other employment, compensation and benefits-related matters. Following the Spin-off, Wyndham Hotels employees no longer participate in Travel + Leisure's plans or programs (provided that they did continue to participate in employee health and welfare benefit plans for a limited period of time following the Spin-off in conjunction with the Transition Services Agreement described below, which continued participation ended December 31, 2020), and Wyndham Hotels has established plans or programs for their employees as described in the Employee Matters Agreement.

Tax Matters Agreement

We have a Tax Matters Agreement with Wyndham Hotels that governs the respective rights, responsibilities and obligations of Wyndham Hotels and us following the Spin-off with respect to tax liabilities and benefits, tax attributes, tax contests and other tax sharing regarding U.S. federal, state, local and foreign income taxes, other tax matters and related tax returns. As a former subsidiary of Travel + Leisure, Wyndham Hotels has joint and several liability with us to the U.S. Internal Revenue Service ("IRS") for the combined U.S. federal income taxes of the Travel + Leisure consolidated group relating to the taxable periods in which Wyndham Hotels was part of that group. In general, the Tax Matters Agreement specifies that Wyndham Hotels will

bear one-third, and Travel + Leisure two-thirds, of this tax liability, and Wyndham Hotels has agreed to indemnify us against any amounts for which we are not responsible including subject to the next sentence. The Tax Matters Agreement also provides special rules for allocating tax liabilities in the event that the Spin-off is not tax-free. In general, if a party's actions cause the Spin-off not to be tax-free, that party will be responsible for the payment of any resulting tax liabilities (and will indemnify the other party with respect thereto). The Tax Matters Agreement provides for certain covenants that may restrict our ability to pursue strategic or other transactions that otherwise could maximize the value of our business. Although valid as between the parties, the Tax Matters Agreement will not be binding on the IRS.

Transition Services Agreement

We entered into a Transition Services Agreement with Wyndham Hotels under which Wyndham Hotels provided us with certain services, and we provided Wyndham Hotels with certain services, for a limited time to help ensure an orderly transition following the distribution. These services included certain finance, information technology, human resources, payroll, tax, and other services. The transition services have ended as of December 31, 2020.

License, Development and Noncompetition Agreement

In connection with the Spin-off, we entered into a license, development and noncompetition agreement with Wyndham Hotels, which, among other things, granted to Travel + Leisure the right to use the "Wyndham" trademark, "The Registry Collection" trademark and certain other trademarks and intellectual property in our business. This right is generally limited to use in connection with our vacation ownership and vacation exchange businesses, with certain limited exceptions. This agreement has a term of 100 years with an option for us to extend the term for an additional 30 years. We will pay Wyndham Hotels certain royalties and other fees under this agreement.

Additionally, the license, development and noncompetition agreement governs arrangements between us and Wyndham Hotels with respect to the development of new projects and non-compete obligations. These non-compete obligations restrict us and Wyndham Hotels from competing with the other party's business (subject to customary carve-outs) for the first 25 years of the term of the license, development and noncompetition agreement, and we may extend the term of these non-compete obligations for an additional five year term if we achieve a certain sales target in the last full calendar year of the initial 25-year term. If either party acquires a business that competes with the other party's businesses, Wyndham Hotels or us, must offer the other party the right to acquire such competing business upon and subject to the terms and conditions set forth in the license, development and noncompetition agreement. Additionally, if either party engages in a project that has a component that competes with the other party's businesses, Wyndham Hotels or us, must use commercially reasonable efforts to include the other party in such project, subject to the terms and conditions set forth in the license, development and noncompetition agreement.

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. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting our company. 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 not to be material risks 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.

Risks Related to Our Business and Our Industry

We may not be able to achieve the objectives of our acquisition of the Travel + Leisure brand or the future prospects and plans for the Company.

On January 5, 2021, we acquired the Travel + Leisure brand and all related assets from Meredith Corporation. On February 17, 2021, Wyndham Destinations, Inc. changed its name to Travel + Leisure Co., and the new Travel + Leisure Co. stock began trading under the ticker symbol NYSE: TNL. See Note 32—*Subsequent Events* to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for information concerning this acquisition.

The expected results of the transaction and the future prospects for, and plans of, our company are subject to a number of risks and uncertainties, many of which are beyond our control, including (without limitation) unanticipated costs and/or delays; unfavorable reaction by customers, partners, employees, or suppliers; future revenues being lower than expected; failure or inability to implement growth or expansion strategies in a timely manner or at all; local and global political and economic conditions.

Promotion activities associated with our new business may not yield increased revenue in the time expected or at all, and, even if revenue does increase, it may not be sufficient to offset the expenses we incur in building our brands. If we fail to successfully promote and maintain our new business and brands, or incur substantial expenses in an unsuccessful attempt to promote and maintain our brands, we may fail to attract or retain customers to the extent necessary to realize a sufficient return with respect to the acquisition and our rebranding efforts, which would adversely impact our business, results of operations, and financial condition. In addition, a portion of the value associated with the Travel + Leisure brand is derived from the long-standing commitment to high-quality, independent travel journalism by *Travel + Leisure* magazine and associated media properties, which will continue to be operated by Meredith outside our control. If the quality or reach of such media properties deteriorates in the future, it could negatively impact the perception of the Travel + Leisure brand and adversely impact our business.

The timeshare 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 timeshare 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 timeshare industry is based on brand name recognition and reputation as well as location, quality of accommodations, price, service levels and amenities, financing terms, quality of service, terms of property use, reservation systems, flexibility of members to exchange into other timeshare properties or other travel awards, property size and availability, customer satisfaction, consumer confidence, consumer discretionary spending, and the ability to earn and redeem loyalty program points. New 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.

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 May 9, 2018, we completed the sale of our European vacation rentals business and, on October 22, 2019, we completed the sale of our North American vacation rentals business. Dispositions of businesses, such as our European and North American vacation rentals transactions, pose risks and challenges that could negatively impact our business, including costs or disputes with buyers. 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. See Note 29 —*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements for a description of our obligations related to the European vacation rentals business and the North American vacation rentals business and Note 7—*Held-for-Sale Business* to the Consolidated Financial Statements for more details on the North American vacation rentals transaction, both of which are included in Part II, Item 8 of this Annual Report on Form 10-K.

On August 7, 2019, we completed the acquisition of Alliance Reservations Network, a company that provides private-label travel booking technology solutions, and on January 5, 2021, we completed the acquisition of the Travel + Leisure brand of Meredith, as described above in this Item 1A under "We may not be able to achieve the objectives of our acquisition of the Travel + Leisure brand or the future prospects and plans for the Company". Acquisitions of businesses, such as the ARN transaction, could result in potentially dilutive issuances of equity securities and/or the assumption of contingent liabilities. See Note 32—*Subsequent Events* and Note 5—*Acquisitions* to the Consolidated Financial Statements, both of which are included in Part II, Item 8 of this Annual Report on Form 10-K for a description of the consideration paid in connection with the acquisition of the Travel + Leisure brand from Meredith, and the consideration paid, including the amount of shares of our common stock issued, in connection with the ARN transaction.

Acquisitions may also be structured in such a way that we will be assuming unknown or undisclosed liabilities or obligations or we may incur unanticipated costs or expenses following the acquisition, including post-closing asset impairment charges, expenses associated with eliminating duplicate facilities, unexpected penalties or enforcement actions, and other liabilities. Moreover, we may be unable to efficiently integrate acquisitions, management attention and other resources may be diverted away from other potentially more profitable areas of our business and in some cases these acquisitions may turn out to be less compatible with our growth and operational strategy than originally anticipated. The success of our acquisitions is also subject to other risks, including, among others:

- failure to realize expected technological and product synergies, economies of scale and cost reductions;
- unforeseen expenses, delays or conditions related to the acquisitions, including those due to regulations;
- adverse effects on existing business relationships with customers, partners, employees or suppliers;
- risks associated with entering into markets in which we have limited or no prior experience, including less visibility into demand;
- inaccurate assumptions regarding the acquired business or integration process;
- financial and operational results that may differ materially from our assumptions and forecasts;
- unforeseen difficulties that may arise in integrating operations, processes and systems;
- higher than expected investments that may be required to implement necessary compliance processes and related systems, including information technology systems, accounting systems and internal control over financial reporting;
- failure to retain, motivate and integrate any key management and other employees of the acquired business;
- higher than expected costs or other impacts resulting from unforeseen changes in tax, trade, environmental or other regulations in jurisdictions in which the acquired business conducts its operations; and
- issues with retaining customers and integrating customer bases.

Many of these factors are outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues, and diversion of management's time and attention. Furthermore, we may not realize the degree or timing of benefits we anticipate when we first enter into these transactions. Failure to successfully execute these transactions and integrate acquired businesses could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

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

Declines in or disruptions to the travel industry may adversely impact us. Risks affecting the travel and timeshare industries 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; acts of gun violence or threats thereof; political and regional strife; natural disasters such as earthquakes, hurricanes, fires, floods and volcano eruptions; war; concerns with pandemics, contagious diseases or health epidemics; environmental disasters; lengthy power outages; increased pricing, financial instability and capacity constraints of air carriers; airline job actions and strikes; and increases in gasoline and other fuel prices. Further, there has been public discussion that climate change may be associated with extreme weather conditions, such as increased frequency and severity of storms and floods, coastal erosion and flooding due to higher sea levels, increased temperatures at winter destinations and other factors that may adversely impact the accessibility or desirability of travel to certain locations, and any regulation related to climate change could have an adverse impact on the travel industry generally. Any such disruptions to the travel or timeshare industries may adversely affect our affiliated resorts, our RCI affiliates and other developers of vacation ownership resorts and timeshare property owner associations, thereby impacting our operations and the trading price of our common stock.

We are subject to numerous business, financial, operating and other risks common to the travel and timeshare industries, 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 travel and timeshare industries, including adverse changes with respect to any of the following:

- consumer travel and vacation patterns and consumer preferences;
- 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 resorts in our business are located;
- the supply and demand for vacation ownership services and products and exchange 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, our RCI affiliates and other developers of vacation ownership resorts and timeshare property owner associations;
- the quality of the services provided by affiliated resorts and properties in our exchange business or resorts in which we sell VOIs 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 timeshare industry or in one or more geographic regions;
- our ability to conduct tours of our properties and generate new owners, which has been reduced during the continuance of the COVID-19 pandemic;
- our ability to develop and maintain positive relations and contractual arrangements with VOI owners, current and potential vacation exchange members, resorts with units that are exchanged through our exchange business and timeshare property owner associations;
- organized labor activities and associated litigation;
- the bankruptcy or insolvency of customers or other adverse economic factors impacting the financial health of customers, which has impaired and could continue to 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, including with respect to social media platforms, 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;

- owners or other developers that have development advance notes with us, or who have received loans or other financial arrangements incentives from us, who have experienced and may continue to experience financial difficulties;
- consolidation of developers could adversely affect our exchange business;
- decrease in the supply of available exchange 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 exchange business;
- decrease in or delays or cancellations of planned or future development or refurbishment projects, such as have occurred during the continuance of the COVID-19 pandemic;
- 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, particularly in times of economic downturn such as caused by the COVID-19 pandemic;
- 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 VOIs;
- defaults or delinquencies on loans to purchasers of VOIs who finance the purchase price of such vacation ownerships, which increase in times of economic downturn such as during the COVID-19 pandemic;
- the level of unlawful or deceptive third-party VOI 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 VOIs and the sale of VOIs on the secondary market, which could adversely affect our vacation ownership resorts and exchange business;
- disputes with owners of VOIs, property owners associations, and vacation exchange affiliation partners, 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 timeshare 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 timeshare 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 lodging 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. Additionally, such travel intermediaries may divert reservations away from our direct online channels or increase the overall cost of internet reservations for our affiliated resorts through their fees. 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 vacation ownership and vacation exchange brands, reservation systems, bookings and rates.

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

We are subject to risks that purchasers of VOIs who finance a portion of the purchase price default or otherwise delay payments 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 or delinquencies 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 VOIs. Additional costs are incurred in connection with the resale of

repossessed VOIs, and the value we recover in a resale is not in all instances sufficient to cover the outstanding debt on the defaulted loan.

During 2020, in response to the COVID-19 pandemic, we initiated a program permitting our owners to defer payment on their receivables to us in order to provide financial assistance to these owners during a period of unprecedented economic insecurity. While a majority of owners who participated in this deferral program resumed normal payments to us, not all owners have resumed normal payment schedules, and financial difficulties of owners and customers arising from the continuation of the COVID-19 pandemic could result in increased payment defaults and delinquencies both during the continuation of, and following, the COVID-19 pandemic.

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 non-U.S. citizens; 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.

For risks related to the global COVID-19 pandemic, see “Risks Related to the COVID-19 Pandemic.”

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 U.S. 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, including as a result of the change in the U.S. presidential administration, 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.

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 and securitization financings. 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;
- a minimum liquidity covenant under our amended credit agreement is impacted by 50% of the amount of aggregate dividends paid after the July 2020 effective date of the amended credit agreement, which covenant will affect the amount of dividends, if any, we declare and pay to our shareholders;
- increases in interest rates may adversely affect our financing costs and the costs of our VOI financing and associated increases in hedging costs;
- during the second quarter of 2020, Moody's Investors Service, Inc. ("Moody's") downgraded our secured debt rating from Ba2 to Ba3 with a "negative outlook", and our secured debt is rated BB- with a "negative outlook" by Standard & Poor's Rating Services ("S&P") and BB+ with a "negative outlook" by Fitch Rating Agency; negative ratings and/or downgrades of our debt by rating agencies 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 VOIs;
- the inability of developers of vacation ownership properties that have received mezzanine and other loans from us to pay back such loans;
- increases in interest rates, which may prevent us from passing along the full amount of such increases to purchasers of VOIs to whom we provide financing; and
- disruptions in the financial markets, including potential financial uncertainties surrounding the United Kingdom's withdrawal from the European Union, commonly referred to as "Brexit," and the 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.

Changes in the method pursuant to which the LIBOR rates are determined and phasing out of LIBOR after 2021 may affect our financial results.

The chief executive of the United Kingdom Financial Conduct Authority ("FCA"), which regulates the London Interbank Offered Rate ("LIBOR"), announced that the FCA intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. In response, the Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee which identified the Secured Overnight Financing Rate ("SOFR") as its preferred alternative to USD-LIBOR in derivatives and other financial contracts. It is not possible to predict the effect of these changes, including when LIBOR will cease to be available or when there will be sufficient liquidity in the SOFR and the other alternative LIBOR rate markets. During 2020, the LIBOR rate administrator announced its intention to extend publication of LIBOR rates for most USD LIBOR tenors through June 30, 2023. Our intention is to address LIBOR fallback language in all of our debt agreements by the end of 2021.

Currently, we have debt and derivative instruments in place that reference LIBOR-based rates. In the transition from the use of LIBOR to SOFR or other alternatives, the level of interest payments we incur may change. In addition, although certain of our LIBOR based obligations provide for alternative methods of calculating the related interest rate payable (including transition to an alternative benchmark rate) if LIBOR is not reported, uncertainty as to the extent and manner of future changes may result in interest rates and/or payments that are higher than, lower than, or that do not otherwise correlate over time with the interest rates and/or payments that would have been made on our obligations if LIBOR was available in its current form.

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 these Risk Factors and throughout this report and as may be updated in subsequent SEC filings from time to time, including, but not limited to, with respect to Cendant and the Spin-off. See further discussion in Note 20—*Commitments and Contingencies* to the Consolidated Financial Statements and Note 29—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements, both included in Part II, Item 8 of this Annual Report on Form 10-K. We cannot predict with certainty the ultimate outcome or 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 timeshare (including required government registrations), consumer financings and other lending, information security, data protection and privacy (including the General Data Protection Regulation "GDPR"), 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. In the past, when we have been subjected to regulatory investigations, the amount of the fines involved were not material to our business, financial condition or results of operations. However, we cannot predict whether any future fines that regulators might seek to impose would materially adversely affect our business, financial condition or results of operations.

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, guest travel documents, other identification documents, account numbers and other personally identifiable information. We are subject to attack by cyber-criminals operating on a global basis attempting to gain access to such information, and the integrity and protection of that guest, shareholder and employee data is critical to us.

While we maintain what we believe are reasonable security controls over personal and proprietary information, including the personal information of guests, shareholders and employees, any breach of or breakdown in our systems that results in the theft, loss, fraudulent use or other unauthorized release of personal or proprietary information or other data could nevertheless occur and persist for an extended period of time without detection, 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. Our and our third-party service providers' vulnerability to attack exists in relation to known and unknown threats. As a consequence, the security measures we deploy are not perfect or impenetrable, and despite our investment in and maintenance of such controls, we may be unable to anticipate or prevent all unauthorized access attempts made on our systems or those of our third-party service providers.

Additionally, the legal and regulatory environment surrounding information security and privacy in the U.S. and international jurisdictions is constantly evolving. For example, in the U.S., California enacted the California Consumer Privacy Act of 2018 ("CCPA"), which became effective on January 1, 2020. The CCPA provides to California consumers certain new access, deletion and opt-out rights related to their personal information, imposes civil penalties for violations and affords, in certain cases, a private right of action for data breaches. Regulations implementing the CCPA continue to be under development. Complying with the CCPA could increase our compliance cost. Similar legislation has been proposed or adopted in other states. Aspects of the CCPA and these other state laws and regulations, as well as their enforcement, remain unclear, and we may be required to modify our practices in an effort to comply with them. Moreover, foreign data protection, privacy, consumer protection, content regulation and other laws and regulations are often more restrictive or burdensome than those in the United States. For example, the European Union ("E.U.") GDPR imposes significant obligations to businesses that sell products or services to E.U. customers or otherwise control or process personal data of E.U. residents. Complying with GDPR caused us to update certain business practices and systems and incur costs related to continued compliance with GDPR and other international laws and regulations. In addition, should we violate or not comply with the CCPA, GDPR or any other applicable 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, marketing, 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 such as server malfunction or software or hardware failures, computer hacking, phishing attacks, user error, cyber-terrorism, loss of data, computer viruses and malware installation, 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 continue to transition from our legacy systems to new, cloud-based technologies, we may continue to 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 operations. 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 have been and in the future 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, payments systems, vacation exchange systems, 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, cyberattack, disruption or other impairment in our technology capabilities and service facilities or those of our third-party service providers could result in denial or interruption of service, 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 resort owners from entering into agreements with us, and may expose us to liability from 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.

The growth of our business and the execution of our business strategies depend on the services of our senior management and our associates.

We believe that our future growth depends, in part, on the continued services of our senior management team, including our President and Chief Executive Officer, Michael D. Brown, and on our ability to successfully implement succession plans for

members of our senior management team. The loss of any members of our senior management team, or the failure to identify successors for such positions, could adversely affect our strategic and customer relationships and impede our ability to execute our business strategies. In addition, insufficient numbers of talented associates could constrain our ability to maintain and expand our business. We compete with other companies both within and outside of our industry for talented personnel. If we cannot recruit, train, develop or retain sufficient numbers of talented associates, we could experience increased associate turnover, decreased guest satisfaction, low morale, inefficiency or internal control failures.

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 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 and sustainability, supply chain management, climate change, diversity, human rights and modern slavery, philanthropy and support for local communities.

Current and future international operations expose us to additional challenges and risks that may not be inherent in operating solely in the U.S. due to different social or cultural norms and practices that are not customary in the U.S., distance and language, including, but not limited to, our ability to sell products and services, enforce intellectual property rights and staff and manage operations.

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, Travel + Leisure and Realogy generally are responsible for 37.5% and 62.5% 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. As a result of the completion of the Spin-off, Wyndham Hotels agreed to retain one-third of Cendant’s contingent and other corporate liabilities and associated costs; therefore, we are responsible for 25% of these liabilities and costs subsequent to the Spin-off. 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.

We may incur impairment charges related to the fair value of our assets.

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.

In 2020, we recorded $56 million of asset impairment charges, primarily associated with the impact of COVID-19 on our business. With the COVID-19 pandemic continuing to impact the U.S. and global economy and our business, we cannot assure that these charges will be adequate in response to these unprecedented events or that additional asset impairment charges may not be required in the future related to COVID-19 concerns or events or otherwise.

Risks Related to the COVID-19 Pandemic

The global outbreak of COVID-19 has significantly negatively affected our operations and may significantly negatively affect our future business, financial condition and results of operations.

The global outbreak of COVID-19 pandemic has led, and will likely continue to lead, to disruptions in the global and U.S. economy, in the timeshare and leisure travel industries and in our business. Tourism and travel-related industries continue to

face significant disruption as a result of the COVID-19 pandemic, as the U.S. government and individual states and local jurisdictions as well as foreign countries have taken, and in light of the continuing COVID-19 pandemic, will likely continue to take, actions to curb the spread of COVID-19, including encouraging or mandating social distancing and quarantines, mandating certain business closures, limiting the number of individuals that may gather in one location and implementing travel restrictions. COVID-19 has also caused, and will likely continue to cause, volatility in the equity markets and the capital markets, generally.

Our business has been significantly negatively affected by COVID-19. In response to COVID-19, we temporarily closed our resorts in mid-March 2020 across the globe and suspended our vacation ownership sales and marketing operations. Our temporary resort and sales center closures led to significant declines in our VOI sales during this closure period. We also experienced an increase in cancellations and a decrease in bookings for our travel and membership business. As a result of these closures, we reduced our workforce and furloughed or laid off approximately 9,000 employees in March 2020, and an additional 1,400 employees during the remainder of the year. Given the magnitude of these events, our revenues were negatively impacted and we incurred $385 million of charges directly related to COVID-19 during the year ended December 31, 2020. As of December 31, 2020, we had reopened 81% of our resorts and the majority of these resorts have re-opened to full capacity following local health guidelines. Approximately 5,300 employees remained laid off or furloughed at December 31, 2020. We have reopened 86% of our sales offices; however, revenue has not returned to pre-COVID-19 levels. While the levels of restrictions on operations imposed by governmental authorities have reduced in most locations, there is continued uncertainty regarding restrictions going forward, which could cause additional resort and sales center closures or other restrictions or interruptions, increases in cancellations or reduction in bookings and reluctance of customers to travel.

The duration of the COVID-19 pandemic and its impact on our resort and sales centers and our ability to implement our growth strategy is uncertain, as the impact and duration of the COVID-19 outbreak continues to evolve. Continued closure and/or reclosure of resorts and sales centers could result in additional COVID-19 charges, including idle pay for certain sales and marketing employees, and could result in potential further impairment of assets. If the impact of COVID-19 continues or worsens, our revenues will continue to be negatively impacted.

The actions we have taken to reduce operating costs and improve efficiency, including the layoff and furloughing of a substantial number of our employees and further changes we may make in the future to reduce costs, have caused and may continue to cause us to experience operational challenges, including as a result of furloughed employees not returning to employment because they have obtained alternative employment or otherwise, and may negatively impact our ability to attract and retain associates, our reputation and market share. In addition, the increase in the number of our employees working remotely has increased certain risks to our business, including increased demand on our information technology resources and systems, greater potential for phishing and other cybersecurity attacks, and an increase in the number of points of potential attack, and any failure to effectively manage these risks and to timely identify and respond to any cyberattacks may adversely affect our business. The pandemic may also have long-term effects on the nature of the office environment and remote working, which may present operational challenges that could adversely affect our business. Working remotely has caused strain for, and may adversely impact the productivity of, certain employees, which conditions, if prolonged, could harm our business. Additionally, efforts to re-open our offices safely may not be successful, could expose our personnel to health risks and will involve additional financial burdens.

In addition, increases in unemployment due to COVID-19 as well as decreases in consumer confidence and the continuation of the measures implemented to contain the spread of the virus may continue to negatively impact our VOI owners' ability to repay their contract receivables. If unemployment rates increase and/or our collection experience for our vacation ownership contract receivables ("VOCRs") declines more than we estimated, we may need to further increase our allowance for loan losses for VOCRs. The additional $205 million allowance recorded during the year ended December 31, 2020, provided our estimated impact of a prolonged recession, but we cannot assure that additional charges may not be required in the future.

There remains significant uncertainty concerning the current and future impact of the pandemic on the U.S. and global economy, consumer confidence, leisure travel, the timeshare industry and our business. Some of these uncertainties and risks may include the following:

- resurgences, continued high rates of infection, and increased death rates related to COVID-19, including in regions and locations where we have a significant number of resorts;
- uncertainty regarding the ongoing length and severity of the economic downturn caused by COVID-19;
- changes in federal, state and local policies, rules and regulations which could change or otherwise impact our safety protocols and measures intended to protect our owners, guests, and team members;

- continued significant governmental restrictions, recommendations and warnings against travel, including in or to areas or locations where we have a significant number of resorts, as well as between the U.S. and other countries, including restrictions placed by foreign governments on U.S. citizens traveling to their countries;
- continued closures and/or curtailment of operations at many popular tourist and entertainment center destinations, reducing the demand for leisure travel;
- changing behavior of individuals and decrease in willingness to travel and stay at resorts, timeshares and other lodging facilities due to the pandemic, which may continue beyond when global health and safety conditions improve and vaccines become generally available;
- whether the steps we have taken, and in the future may continue to take, to reduce our operating costs and improve operating efficiencies, including furloughs and headcount reductions, may negatively impact the image of our brands, sales of VOIs, and our near-term and long-term financial results;
- our inability to predict the length of time it will take for our properties to return to normal operations;
- whether certain of the operating practices and efficiencies we have adopted in response to the pandemic, such as virtual tours, will be successful during the continuance of the pandemic or thereafter;
- our in-person tours materially decreased during 2020 and we expect will continue to be at depressed levels into 2021, and our VOI sales can be expected to be negatively impacted until in-person tours return to normal levels;
- we reduced project inventory and capital expenditures in 2020 in response to the pandemic, which may adversely impact future revenues;
- average number of members in our Travel and Membership segment was down significantly in 2020, and we expect this trend to continue into 2021;
- we raised FICO requirements for new owners, which is expected to strengthen our portfolio but which may adversely impact VOI sales;
- continued increased unemployment levels resulting from the pandemic may continue to impact consumer confidence and leisure travel;
- leisure travel may take longer to recover than expected following a return to normalcy, and we may see increases in cancellations or reductions in bookings, even after all government restrictions and recommendations are no longer in effect, the risks associated with the pandemic decrease and vaccines become generally available, due to reluctance to engage in discretionary spending or otherwise;
- our telesales activities during the continuance of the pandemic may not be as successful as we expect;
- owner defaults, delinquencies and payment delays may increase if the U.S. and global economies and consumer confidence do not rebound to pre-pandemic levels;
- there is no assurance that, post-pandemic, owner upgrades will return to levels which existed pre-pandemic;
- our urban resort locations may be slower to recover to pre-pandemic levels than resorts in other locations;
- potential cases of infection and transmission at our resorts despite the implementation of our safety measure efforts, which would be disruptive and may lead to exposure to assertions of liability; and
- other actions we have taken or may take, or decisions we have made or may make, as a consequence of the COVID-19 pandemic that may result in investigations, legal claims (regardless of merit) or litigation against us.

Each of these uncertainties, risks and events associated with the COVID-19 pandemic may cause a significantly negative impact on our future business and financial results, and we are unable to predict the full extent or nature of these impacts at this time. While we have made and continue to make efforts to mitigate the impacts of COVID-19, there can be no assurance that these efforts will be successful, and as a result, our future business, financial condition and results of operations may be significantly negatively impacted. The volatile conditions stemming from COVID-19, as well as reactions to future pandemics or resurgences of COVID-19, could also precipitate or aggravate the other risk factors that we identify in this Item 1A, which in turn could significantly negatively affect our business, financial condition, liquidity, results of operations (including revenues and profitability) and/or stock price. Further, COVID-19 may affect our operating and financial results in a manner that is not presently known to us or that we currently do not consider to present significant risks to our operations.

The COVID-19 pandemic has impacted and may continue to impact our credit facilities and securitization facilities.

Given a range of different scenarios related to the COVID-19 impact on our business, we expect to maintain adequate liquidity. However, the effects of COVID-19 may negatively affect our ability to comply with existing covenants under our debt agreements, increase our cost of capital or make additional capital more difficult to obtain or available only on terms less favorable to us, if at all. Subject to the provisions of the amendment to our credit agreement ("Credit Agreement Amendment"), our secured revolving credit facility requires us to maintain a minimum interest coverage ratio of at least 2.5 to 1.0 as of the measurement date and a maximum first lien leverage ratio not to exceed 4.25 to 1.0 as of the measurement date. However, the Credit Agreement Amendment establishes a relief period with respect to our secured revolving credit facility, which began on July 15, 2020, and will last until the earlier of April 1, 2022, and the termination by us of the relief period, subject to certain conditions ("Relief Period"). The Credit Agreement Amendment increases the leverage-based financial covenant by varying levels for each applicable quarter during the Relief Period, in each case which represents an increase to the existing leverage-based financial covenant of 4.25 to 1.0. As of December 31, 2020, the Credit Agreement Amendment increased the maximum first lien leverage ratio to 7.50 to 1.0. Following the Relief Period, the Credit Agreement Amendment re-establishes the existing leverage-based financial covenant of 4.25 to 1.0, tested on the basis of trailing 12-month consolidated EBITDA (as defined in the credit agreement). In addition, the Credit Agreement Amendment, among other things, increases the interest rate applicable to borrowings under our secured revolving credit facility based on our first lien leverage ratio in any quarter if it exceeds 4.25 to 1.0, until the end of the Relief Period; adds a new minimum liquidity covenant, tested quarterly until the end of the Relief Period, of (i) $250 million plus (ii) 50% of the aggregate amount of dividends paid after the Amendment Effective Date and on or prior to the last day of the relevant fiscal quarter and requires us to maintain an interest coverage ratio (as defined in the credit agreement) of not less than 2.00 to 1.0, which shall increase to 2.50 to 1.0 after the Relief Period, the level existing prior to the Amendment Effective Date. Finally, the Credit Agreement Amendment amends the definition of "Material Adverse Effect" in the credit agreement to take into consideration the COVID-19 pandemic during the Relief Period, to the extent disclosed prior to July 15, 2020, in our public filings and certain other specified materials. The continued impact of COVID-19 on our industry and business may impact our ability to maintain compliance with these debt covenants in the future. If we fail to comply with our debt covenants, including as amended by the Credit Agreement Amendment during the Relief Period, the lenders under our secured revolving credit facility and term loan B, subject to our right to cure, would have the right to terminate and declare the outstanding loans to be immediately due and payable, and any such default could trigger a cross-default, acceleration or other consequences under other indebtedness or financial instruments to which we are a party. Any continued impact of COVID-19 on our industry and business will also lead to a higher first lien leverage ratio in the future.

The interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreement) by consolidated interest expense (as defined in the credit agreement), both as measured on a trailing 12-month basis preceding the measurement date. As of December 31, 2020, our interest coverage ratio was 3.0 to 1.0. The first lien leverage ratio is calculated by dividing consolidated first lien debt (as defined in the credit agreement) as of the measurement date by consolidated EBITDA (as defined in the credit agreement) as measured on a trailing 12-month basis preceding the measurement date. As of December 31, 2020, our first lien leverage ratio was 5.4 to 1.0. These ratios do not include interest expense or indebtedness related to any qualified securitization financing (as defined in the credit agreement). As of December 31, 2020, we were in compliance with all of the financial covenants described above. Under the credit agreement, if our first lien leverage ratio exceeds 4.25 to 1.0, the interest rate on revolver borrowings would increase, and we would be subject to higher fees associated with our letters of credit. Given the first lien leverage ratio at December 31, 2020 the interest rate on the revolver borrowings will increase 25 basis points effective March 1, 2021.

COVID-19 has also impacted the public asset-backed securities market, and thus impacts our ability to issue asset-backed securities. In April 2020, we successfully closed on a $325 million private securitization financing at a higher cost compared to transactions we have completed in the past, though it was favorable to similar transactions completed in the public market at that time. In August 2020, we successfully closed on a $575 million securitization financing at a similar cost compared to transactions we have completed in the past. The impact of COVID-19 on the financial markets may have an impact on the availability of this type of funding and other types of financing in the near term or longer term and terms for hospitality/travel-related companies may command a higher interest rate. The ongoing effects of COVID-19 on our operations could have a significant negative impact on our financial results, capital and liquidity, as well as our credit rating, and such negative impact could continue well beyond the containment of such outbreak.

As of December 31, 2020, we had $690 million of availability under our asset-backed conduit facilities. Any further disruption to the asset-backed securities market could negatively impact our ability to obtain asset-backed financings or the terms of such financings. Our liquidity, as it relates to our VOCRs 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 VOCRs deteriorate as a result of the COVID-19 crisis or otherwise. Our ability to sell securities backed by our VOCRs depends on the continued

ability and willingness of capital market participants to invest in such securities, which may be negatively affected by COVID-19 and its impact on economic conditions and the credit of our VOCRs pools.

In connection with the sale of our European vacation rentals business, Wyndham Hotels provided certain post-closing credit support in the form of guarantees. As part of this agreement Wyndham Hotels is required to maintain minimum credit ratings which increased to Ba1 for Moody's and BB+ for S&P. In April 2020, S&P downgraded Wyndham Hotels' credit rating from BB+ to BB. Although any ultimate exposure relative to indemnities retained from the European vacation rentals sale will be shared two-thirds by Travel + Leisure and one-third by Wyndham Hotels, as the selling entity, we are responsible for administering additional security to enhance corporate guarantees in the event either company falls below a certain credit rating threshold.

As a result of the Wyndham Hotels credit ratings downgrade, we posted £58 million surety bond and a £36 million letter of credit ($79 million and $48 million as of December 31, 2020) and we will maintain them until such time that either companies' S&P and Moody's credit rating improves to BB+/Ba1. In addition, as a result of Moody's downgrading our credit rating from Ba2 to Ba3 in May 2020, the coupon rate on the 5.65% notes due 2024, the 6.60% notes due 2025, and the 6.00% notes due 2027 each increased by 25 basis points per annum, effective October 1, 2020. Since issuance, the interest rates on these notes have increased 150 basis points as of December 31, 2020, with the maximum potential additional increase at 50 basis points.

We utilize surety bonds in our vacation ownership business for sales and development transactions in order to meet regulatory requirements of certain states. 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 our corporate credit rating. As a result of COVID-19, we could see a reduction in commitments from our surety providers. Any such reduction in commitments or reduced availability of bonding capacity, or a negative change to the terms and conditions and pricing of the bonding capacity, may negatively impact our vacation ownership business.

Risks Related 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 did receive a solvency opinion from an investment bank confirming that we and Wyndham Hotels were 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 we did not receive fair consideration or reasonably equivalent value in the Spin-off, and that the Spin-off left us insolvent or with unreasonably small capital or that we intended or believed we would incur debts beyond our 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 Wyndham Hotels being distributed as part of the Spin-off or providing us with a claim for money damages against the spun-off business in an amount equal to the difference between the consideration received by us and the fair market value of Wyndham Hotels at the time of the Spin-off.

Following completion of the Spin-off, our success depends in part on our ongoing relationship with Wyndham Hotels.

In connection with the Spin-off, we entered into a number of agreements with Wyndham Hotels that govern the ongoing relationships between Wyndham Hotels and Travel + Leisure following the Spin-off. Our success will depend, in part, on the maintenance of these ongoing relationships with Wyndham Hotels as well as Wyndham Hotels' performance of its obligations under these agreements. If we are unable to maintain a good relationship with Wyndham Hotels, or if Wyndham Hotels does not perform its obligations under these agreements, fails to protect the trademarks, trade names and intellectual property that we license from it or if these brands deteriorate or materially change in an adverse manner, or the reputation of these brands declines, our brand may be negatively affected, our profitability and revenues could decrease and our growth potential may be adversely affected.

We are responsible for certain contingent and other corporate liabilities incurred prior to the Spin-off.

In accordance with the agreements we entered into with Wyndham Hotels in connection with the Spin-off, Wyndham Hotels assumed one-third and Travel + Leisure assumed two-thirds of certain contingent and other corporate liabilities of Wyndham Worldwide incurred prior to the distribution, including liabilities of Wyndham Worldwide related to certain terminated or divested businesses, certain general corporate matters, and any actions with respect to the separation plan. See Note 29—

Transactions with Former Parent and Former Subsidiaries to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for a description of our obligations related to Wyndham Hotels.

If Wyndham Hotels was to default on its obligations, we would be required to pay 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.

Certain directors who serve on our Board also serve on the board of directors of and own common stock of Wyndham Hotels.

Certain directors who serve on our Board currently serve as directors of and own shares of common stock of Wyndham Hotels following the Spin-off, which may create, or appear to create, conflicts of interest, in particular when our or Wyndham Hotels' management and directors face decisions that could have different implications for us and Wyndham Hotels, including the resolution of any dispute regarding the terms of the agreements governing the Spin-off and the relationship between us and Wyndham Hotels after the Spin-off or any other commercial agreements entered into in the future between us and Wyndham Hotels.

If the Distribution, together with certain related transactions, were to fail to qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, then our shareholders, we and Wyndham Hotels might be required to pay substantial U.S. federal income taxes.

In conjunction with the Distribution, we received opinions of our Spin-off tax advisors to the effect that, subject to the assumptions and limitations described therein, 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 were based on and relied on, among other things, certain assumptions as well as on the continuing accuracy of certain factual representations and statements that we and Wyndham Hotels made to the Spin-off tax advisors and certain covenants that Travel + Leisure and Wyndham Hotels entered into, including covenants contained in the Tax Matters Agreement described below. If any of these representations or statements are or become inaccurate or incomplete, or if Travel + Leisure or Wyndham Hotels 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 received a private letter ruling from the IRS regarding certain U.S. federal income tax aspects of transactions related to the Spin-off (the "IRS Ruling"). Although the IRS Ruling generally is 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. The IRS Ruling is limited to specified aspects of the Spin-off under Sections 355 and 361 of the Code and does not represent a determination by the IRS that all of the requirements necessary to obtain tax-free treatment to holders of our common stock and to us 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 Wyndham Hotels for U.S. federal income tax purposes. In such case, under U.S. Treasury regulations, each member of our 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 Wyndham Hotels does not qualify as tax-free under Section 355 of the Code, our 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 our 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.

General Risk Factors

Risks Related to Our Common Stock

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

The trading price of our common stock may continue to 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; our ability or perceived ability

to realize the benefits of the Spin-off; our credit ratings, including the impact of the Spin-off and the global COVID-19 pandemic 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.

Provisions in our certificate of incorporation and by-laws and under Delaware law may prevent or delay an acquisition of Travel + Leisure 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. 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 believe these provisions protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our Board and by providing our Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that our Board determines is not in the best interests of our company and our shareholders.

We cannot provide assurance that we will continue to pay dividends or purchase shares of our common stock under our share 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 share 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 share repurchase program if the Board deems such action to be in the best interests of our shareholders. During 2020, in response to the unprecedented COVID-19 pandemic, our Board, acting prudently, reduced our dividend and suspended our share repurchase program. While we expect to continue to pay dividends to shareholders during the continuance of the COVID-19 pandemic, and a continuance of dividends is permitted under our modified credit facilities subject to certain conditions, we cannot assure that our Board may not need to consider further dividend reductions in the future in response to continuing effects of the COVID-19 pandemic or otherwise.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Travel + Leisure Corporate

Our corporate headquarters is located in a leased office at 6277 Sea Harbor Drive in Orlando, Florida, for which the lease expires in 2025. We also have a leased office in Virginia Beach, Virginia, for our Associate Service Center, for which the lease expires in 2021, as well as data centers in Phoenix, Arizona and Greenwood Village, Colorado, for which the leases end in 2022. The lease that is due to expire in 2021 is presently under review related to our ongoing requirements.

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; Las Vegas, Nevada; Clark, Philippines; Bundall, Australia; and Singapore, with various expiration dates between 2021 and 2056. Our vacation ownership business leases space for administrative functions in Las Vegas, Nevada, that expires in 2028. In addition, our vacation ownership business utilizes 137 marketing and sales offices with 109 locations in the U.S. and the remaining locations in Australia, the Caribbean, Thailand, Mexico, Fiji, New Zealand, Indonesia, China, and the Philippines. All leases that are due to expire in 2021 are presently under review related to our ongoing requirements.

Travel and Membership

Our travel and membership business is headquartered in Orlando, Florida, pursuant to several leases which begin to expire in 2025. The business also owns one property in Indianapolis, Indiana, and one property in Mexico. There are 22 leased offices, of which nine are located in Europe, four in Latin America, four in Asia Pacific, three in North America, and two in Africa. Such leases have expiration dates between 2021 through 2029. All leases that are due to expire in 2021 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, financial condition or cash flows. See Note 20—*Commitments and Contingencies* to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for a description of claims and legal actions arising in the ordinary course of our business and Note 29—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for a description of our obligations regarding Cendant contingent litigation, matters related to Wyndham Hotels, matters related to the European vacation rentals business, and matters related to the North American vacation rentals business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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 under the symbol "TNL." As of January 31, 2021, the number of stockholders of record was 4,546. The equity plan compensation information called for by Item 201(d) of Regulation S-K is set forth in Part III, Item 12 of this Annual Report on Form 10-K under the heading "Equity Compensation Plan Information as of December 31, 2020."

Issuer Purchases of Equity Securities

Below is a summary of our Travel + Leisure Co. common stock repurchases by month for the quarter ended December 31, 2020:

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[(a)]
October 2020 (October 1-31)	—	$ —	—	$ 351,074,356
November 2020 (November 1-30)	—	—	—	351,074,356
December 2020 (December 1-31)	—	—	—	351,074,356
Total	**—**	**$ —**	**—**	**$ 351,074,356**

(a) On August 20, 2007, our Board of Directors ("Board") authorized the repurchase of our common stock (the "Share Repurchase Program"). Under the Share Repurchase Program, we are authorized to repurchase shares through open market purchases, privately-negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The Share Repurchase Program has no time limit and may be suspended or discontinued completely at any time. The Board has since increased the capacity of the Share Repurchase Program eight times, most recently on October 23, 2017, by $1.0 billion, bringing the total authorization under the program to $6.0 billion. Proceeds received from stock option exercises have increased the repurchase capacity by $78 million since the inception of this program. Under our current and prior stock repurchase plans, the total authorization is $6.8 billion. See "Stock Repurchase Program" section included in Item 7 of this Annual Report on Form 10-K for further information on the Share Repurchase Program.

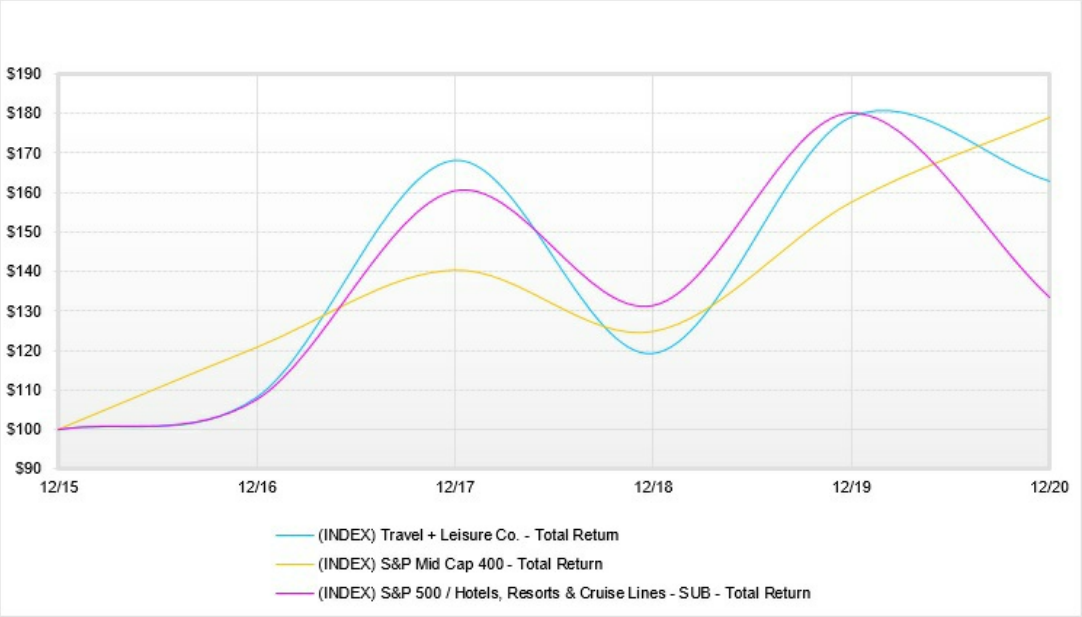
For a description of limitations on the payment of our dividends, see the "Dividends" section included in Item 7 of this Annual Report on Form 10-K.

Stock Performance Graph

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

The following Stock Performance Graph compares the cumulative total stockholder return of our common stock against the cumulative total returns of the Standard & Poor's Rating Services ("S&P") Midcap 400 index and the S&P Hotels, Resorts & Cruise Lines index for the period from December 31, 2015, to December 31, 2020. The graph assumes that $100 was invested on December 31, 2015, and all dividends and other distributions were reinvested.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN[a]
Among Travel + Leisure Co., the S&P Midcap 400 Index
and the S&P Hotels, Resorts, & Cruise Lines Index



[a] $100 invested on December 31, 2015, in stock or index, including reinvestment of dividends.

	Cumulative Total Return					
Fiscal year ending December 31:	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Travel + Leisure Co.	**$ 100.00**	**$ 108.09**	**$ 167.99**	**$ 119.23**	**$ 178.92**	**$ 162.73**
S&P Midcap 400	**$ 100.00**	**$ 120.74**	**$ 140.35**	**$ 124.80**	**$ 157.49**	**$ 179.00**
S&P Hotels, Resorts & Cruise Lines	**$ 100.00**	**$ 107.52**	**$ 160.30**	**$ 131.34**	**$ 180.01**	**$ 133.43**

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

ITEM 6. SELECTED FINANCIAL DATA

	As of or For the Year Ended December 31,				
	2020	**2019 [a]**	**2018 [a]**	**2017 [a]**	**2016 [a]**
Income statement data (in millions):					
Net revenues	$ 2,160	$ 4,043	$ 3,931	$ 3,806	$ 3,692
Expenses					
Operating and other [b]	1,999	3,106	3,051	3,000	2,907
Depreciation and amortization	126	121	138	136	127
COVID-19 related costs	88	—	—	—	—
Asset impairments	52	27	(4)	205	—
Separation and related costs	—	45	223	26	—
Total expenses	2,265	3,299	3,408	3,367	3,034
Gain on sale of business	—	(68)	—	—	—
Operating (loss)/income	(105)	812	523	439	658
Other (income), net	(14)	(23)	(38)	(28)	(21)
Interest expense	192	162	170	155	133
Early extinguishment of debt	—	—	—	—	11
Interest (income)	(7)	(7)	(5)	(6)	(7)
(Loss)/income before income taxes	(276)	680	396	318	542
(Benefit from)/provision for income taxes	(23)	191	130	(328)	190
Net (loss)/income from continuing operations	(253)	489	266	646	352
(Loss)/income from operations of discontinued businesses, net of income taxes	—	—	(50)	209	260
(Loss)/gain on disposal of discontinued business, net of income taxes	(2)	18	456	—	—
Net (loss)/income	(255)	507	672	855	612
Net income attributable to noncontrolling interest	—	—	—	(1)	(1)
Net (loss)/income attributable to Travel + Leisure shareholders	$ (255)	$ 507	$ 672	$ 854	$ 611
Per share data					
Basic earnings/(loss) per share					
Continuing operations	$ (2.95)	$ 5.31	$ 2.69	$ 6.26	$ 3.19
Discontinued operations	(0.02)	0.19	4.11	2.03	2.37
	$ (2.97)	$ 5.50	$ 6.80	$ 8.29	$ 5.56
Basic weighted average shares outstanding (in millions)	86.1	92.1	98.9	103.0	109.9
Diluted earnings/(loss) per share					
Continuing operations	$ (2.95)	$ 5.29	$ 2.68	$ 6.22	$ 3.17
Discontinued operations	(0.02)	0.19	4.09	2.02	2.35
	$ (2.97)	$ 5.48	$ 6.77	$ 8.24	$ 5.52
Diluted weighted average shares outstanding (in millions)	86.1	92.4	99.2	103.7	110.6
Dividends					
Cash dividends declared per share	$ 1.60	$ 1.80	$ 1.89	$ 2.32	$ 2.00

[a] We sold our North American vacation rentals business on October 22, 2019. This business did not meet the criteria to be classified as a discontinued operation; therefore, its results of operations are reflected within continuing operations through the date of sale.

[b] Includes Operating, Cost of vacation ownership interests, Consumer financing interest, Marketing, General and administrative, and Restructuring expenses.

	As of or For the Year Ended December 31,				
	2020	2019	2018	2017	2016
Balance sheet data (in millions):					
Securitized assets [a]	$ 2,573	$ 3,121	$ 3,028	$ 2,680	$ 2,601
Total assets	7,613	7,453	7,158	10,450	9,866
Non-recourse vacation ownership debt	2,234	2,541	2,357	2,098	2,141
Debt	4,184	3,034	2,881	3,908	3,299
Total (deficit)/equity	(968)	(524)	(569)	774	633
Operating statistics:[b]					
Vacation Ownership					
Gross VOI sales (in millions)	$ 967	$ 2,355	$ 2,271	$ 2,138	$ 2,007
Tours (in 000s)	333	945	904	869	819
Volume Per Guest ("VPG")	$ 2,486	$ 2,381	$ 2,392	$ 2,345	$ 2,324
Travel and Membership					
Average number of members (in 000s)	3,749	3,887	3,847	3,799	3,852
Exchange revenue per member	$ 126.48	$ 166.54	$ 171.04	$ 176.74	$ 172.56
Transactions (in 000s) [c]					
Exchange transactions	762	1,493	N/A	N/A	N/A
Non-exchange transactions	278	163	N/A	N/A	N/A
Total Travel and Membership transactions	1,040	1,656	N/A	N/A	N/A

(a) Represents the portion of gross vacation ownership contract receivables, securitization restricted cash, and related assets that collateralize our non-recourse vacation ownership debt. Refer to Note 17 —*Variable Interest Entities* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further details.

(b) For additional details on our operating statistics see the "Operating Statistics" section included in Item 7 of this Annual Report on Form 10-K.

(c) Given recent acquisitions, we will be reporting transactions as a key operating metric for our Travel and Membership segment beginning in 2021. We provided the 2020 and 2019 data in advance of this change.

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 travel products and operate our business in the following two segments:

- **Vacation Ownership** (formerly Wyndham Vacation Clubs)—develops, markets and sells vacation ownership interests ("VOIs") to individual consumers, provides consumer financing in connection with the sale of VOIs, and provides property management services at resorts.
- **Travel and Membership** (formerly Panorama or Vacation Exchange)—operates a variety of travel businesses, including three vacation exchange brands, a home exchange network, travel technology platforms, travel memberships, and direct-to-consumer rentals.

Impact of COVID-19 on Our Business

The results of operations during the year ended December 31, 2020, include impacts related to the novel coronavirus global pandemic ("COVID-19"), which have been significantly negative for the travel industry, our business and financial results, our customers, and our employees. Our response to COVID-19 initially focused on the health and safety of our owners, members, guests, and employees, when we closed the majority of our resorts and sales centers. We were also keenly focused on preserving cash, cutting costs, and managing liquidity. Several of our business lines have strong recurring sources of income and cash flow, for example, consumer finance, hospitality and our exchange membership businesses. The fee streams from these businesses, which represented approximately 50% of Adjusted EBITDA in 2019, bolstered our financial stability when resorts and sales centers were mostly closed for the months of April and May. We incurred expenses in connection with COVID-19 of $385 million during the year ended December 31, 2020, which are discussed in further detail in Note 26—*COVID-19 Related Items* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Many of our resorts and sales centers were closed or operated at reduced capacity throughout 2020 as a result of COVID-19. Operating at less than 100% capacity, combined with depressed leisure travel demand overall, resulted in lower tours which negatively impacted gross VOI sales in 2020. In our Travel and Membership segment, affiliate resort closures and regional travel restrictions contributed to decreased bookings and increased cancellations, which resulted in lower net transactions, average number of members, and average revenue per member during 2020.

As resorts reopened in 2020, we saw and expect to continue to see United States of America ("U.S.") consumers shift from international to domestic travel and also to destinations that require driving versus flying. We believe these shifts may be favorable to the timeshare industry. In addition, we believe larger condominium-like accommodations with kitchens will be more amenable for social distancing and travelers will seek trusted brands they can rely upon for thorough cleaning of vacation accommodations prior to arrival. Historically, occupancy at our resorts has remained high in downturns because our owners own their vacations and are therefore committed to traveling.

We believe the ongoing effects of COVID-19 will continue to have a significant adverse effect on our financial condition and results of operations during the first quarter of 2021 and potentially beyond. While we have made and continue to make efforts to mitigate the impacts of COVID-19, there can be no assurance that these efforts will be successful in the future. COVID-19 may also affect our financial condition and results of operations in a manner that is not presently known to us. For certain of the events, uncertainties, trends and risks associated with the impact of the COVID-19 pandemic on our future results and financial condition, see "Risks Related to the COVID-19 Pandemic" included in Part 1A of this Annual Report on Form 10-K.

Cost Actions and Preservation of Cash Flow

We have taken significant actions to maximize cash flow. In the first half of the year, we took actions that would have reduced our annualized 2020 operating cost base by approximately $225 million with $60 million of permanent general and administrative cost reductions. Savings related primarily to the impact of staff reductions/furloughs, travel and expense, and a reduction in third party vendor/consulting spend. Since this time 51% of our furloughed employees have returned to work. We reviewed inventory and capital expenditure requirements and reduced both by a combined $133 million for the 2020 fiscal year. Share repurchase activity has been suspended since March 2020.

Operational Changes

We worked with government authorities and health experts in establishing new operational criteria and methodologies, for example, curbside check-in, enhanced cleaning protocols, and controlled amenity access. In May 2020, we partnered with Ecolab to launch the *Vacation Ready* program and our internal task force oversaw the implementation of safety protocols in

accordance with guidelines and in consultation with health experts. While the levels of restrictions on operations imposed by governmental authorities have been reduced in some locations, they have increased in others, and there is continued uncertainty regarding the trend of these restrictions going forward. As of December 31, 2020, we have reopened 81% of our resorts (92% have reopened as of the date of this filing) and reopened 86% of our sales offices (92% as of the date of this filing) with plans to restart the remainder in early 2021. Our reopening plans were negatively impacted by government shutdowns in California and Hawaii, which required us to close resorts which were previously reopened. As of December 31, 2020, approximately 5,300 of the impacted employees remained laid off or furloughed.

Relief Under the CARES Act

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was established to provide emergency assistance and health care for individuals, families, and businesses affected by COVID-19 and generally support the U.S. economy. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to net interest deduction limitations, and technical corrections to tax depreciation methods for qualified improvement property. We recorded $26 million of employee retention tax credits for the year ended December 31, 2020, including credits from similar programs outside the U.S. We have deferred social security payments to the U.S. government until 2021 in accordance with CARES Act provisions and will have additional depreciation deductions relating to qualified improvement property. While we continue to review and consider any additional available benefits under the CARES Act or similar legislation that has been or in the future may be enacted in response to the COVID-19 pandemic for which we qualify, we cannot predict the manner in which such benefits will be allocated or administered and we cannot assure you that we will be able to receive such benefits in a timely manner or at all.

Focus on Higher Margin Business

As part of our reopening strategy, we focused on higher margin owner business by harvesting our owner upgrade pipeline. Prior to 2020, just under 40% of sales were to lower margin new owners.

We have also raised our credit standards which will strengthen our receivables portfolio going forward. We have closed some unprofitable marketing and sales locations and shifted marketing channels and resources to our most productive channels. All of these changes are designed to result in higher volume per guest ("VPG") which is a measure of sales efficiency and is strongly correlated to profitability.

Other Developments

Continued closure and/or reclosure of resorts and sales centers could result in additional COVID-19 charges including idle pay for certain sales and marketing employees and potential further impairment of assets. During the first quarter, we evaluated the impact of COVID-19 on our owners' ability to repay their contract receivables and as a result we recorded an additional $225 million allowance. The allowance recorded provided for the full estimated impact of a prolonged recession (approximately 15-20 months to return to pre-COVID-19 defaults) based on our historical data for the most recent recession in 2008. As a result of our quarterly analysis on the impact of COVID-19 on our owners, in the fourth quarter there was an improvement in net new defaults and lower than expected unemployment rates; as such we reduced this reserve by $20 million. If unemployment rates or our collection experience for our vacation ownership contract receivables ("VOCRs") differ significantly from current expectations, we may need to further increase or decrease our allowance for loan losses for VOCRs. As of December 31, 2020, given the significant amount of government assistance provided to consumers in the early stages of the pandemic, we expect defaults to remain elevated for the next 12-15 months as a result of COVID-19.

Given a range of different scenarios related to the COVID-19 impact on our business, we expect to maintain adequate liquidity and remain in compliance with our debt covenants. As a precautionary measure to enhance liquidity, we drew down our $1.0 billion revolving credit facility at the end of the 2020 first quarter and had $1.2 billion of cash and cash equivalents on hand as of December 31, 2020. We suspended share repurchases in March and have made other operational decisions to preserve cash. During the third quarter, we amended our $1.0 billion revolving credit facility which modified existing quarterly-tested financial covenants through March 31, 2022, and raised the first lien coverage ratio in the near term to provide significant financial flexibility. Among other changes, the amendment prohibits the use of cash for share repurchases until such time as we choose to exercise our option to exit the amendment in accordance with its terms. We maintained our ability to pay dividends and to continue to invest in the business throughout the covenant relief period. See Note 16—*Debt* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional details.

We successfully closed on a $325 million private securitization financing on April 29, 2020. While this transaction was at a higher cost compared to transactions we completed in the past, it was favorable to similar transactions completed in the public

market at that time. We also closed on a $575 million securitization financing on August 13, 2020 at a similar cost compared to transactions we have completed in the past. These transactions provide reinforcement that we expect to maintain adequate liquidity.

On July 24, 2020, we issued $650 million senior secured notes maturing July 31, 2026, with an interest rate of 6.625%. The proceeds will be used for general corporate purposes, which may include the repayment of outstanding indebtedness under our secured revolving credit facility, the future repayment of our 5.625% secured notes due March 2021 and the payment of related fees and expenses. In the third quarter, we repaid $350 million of our indebtedness under the secured revolving credit facility.

Alliance Reservations Network Acquisition

On August 7, 2019, we acquired Alliance Reservations Network ("ARN") for $102 million ($97 million net of cash acquired). ARN provides private-label travel booking technology solutions. This acquisition was undertaken for the purpose of accelerating growth at Travel and Membership by increasing the offerings available to its members and affiliates. We have recognized the assets and liabilities of ARN based on estimates of their acquisition date fair values. ARN is reported within the Travel and Membership segment.

North American Vacation Rentals Business Sale

During 2018, we decided to explore strategic alternatives for the North American vacation rentals business and on October 22, 2019, we closed on the sale of this business for $162 million. The assets and liabilities of this business were classified as held-for-sale as of December 31, 2018. This business did not meet the criteria to be classified as a discontinued operation; therefore, the results of operations are reflected within continuing operations on the Consolidated Statements of (Loss)/Income through the date of sale.

Hotel Business Spin-off

We completed the spin-off of our hotel business on May 31, 2018 ("Spin-off"). This Spin-off resulted in our operations being held by two separate, publicly traded companies, Travel + Leisure Co. ("Travel + Leisure," formerly Wyndham Destinations, Inc.) and Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels"). The two public companies have entered 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. This 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. This transaction was effected through a pro rata distribution of the new hotel entity's stock to existing Travel + Leisure shareholders. As a result of the Spin-off, we have classified the results of operations of our hotel business as discontinued operations on the Consolidated Financial Statements.

La Quinta Acquisition

In January 2018, we entered into an agreement with La Quinta Holdings Inc. ("La Quinta") to acquire its hotel franchising and management businesses for $1.95 billion. At the time we entered into this agreement, we obtained financing commitments of $2.0 billion in the form of an unsecured bridge term loan, which was subsequently replaced with net cash proceeds from the issuance of $500 million unsecured notes, a $1.6 billion term loan and a $750 million revolving credit facility, which was undrawn. This acquisition closed on May 30, 2018, prior to the Spin-off on May 31, 2018. Upon completion of the Spin-off, La Quinta became a wholly-owned subsidiary of Wyndham Hotels and the associated debt was transferred to Wyndham Hotels.

European Vacation Rentals Business Sale

We sold our European vacation rentals business on May 9, 2018. This sale resulted in final net proceeds of $1.06 billion and a 2018 after-tax gain of $456 million, net of $139 million in taxes. During 2020, we recognized a $2 million loss resulting from a tax audit. During 2019, we recognized an additional $18 million gain, related to $12 million of tax benefits associated with additional foreign tax credit utilization and lower than anticipated state income taxes, as well as $6 million in returned escrow for an expired guarantee and other changes in expired guarantees. We have provided post-closing credit support in order to ensure that Awaze Limited ("Awaze"), formerly Compass IV Limited, an affiliate of Platinum Equity, LLC, meets the requirements of certain service providers and regulatory authorities. The results of operations of this business through the date of sale have been classified as discontinued operations on the Consolidated Financial Statements.

SEGMENT OVERVIEW

Vacation Ownership

We develop, market, and sell VOIs to individual consumers, provide consumer financing in connection with the sale of VOIs, and provide property management services at resorts. Our sales of VOIs are either cash sales or developer-financed sales. Developer financed sales are typically collateralized by the underlying VOI. Revenue is recognized on VOI sales upon transfer of control, which is defined as the point in time when a binding sales contract has been executed, the financing contract has been executed for the remaining transaction price, the statutory rescission period has expired, and the transaction price has been deemed to be collectible.

For developer-financed sales, we reduce the VOI sales transaction price by an estimate of uncollectible consideration at the time of the sale. Our estimates of uncollectible amounts are based largely on the results of our static pool analysis which relies on historical payment data by customer class.

In connection with entering into a VOI sale, we may provide our customers with certain non-cash incentives, such as credits for future stays at our resorts. For those VOI sales, we bifurcate the sale and allocate the sales price between the VOI sale and the non-cash incentive. Non-cash incentives generally have expiration periods of 18 months or less and are recognized at a point in time upon transfer of control.

We provide day-to-day property management services including oversight of housekeeping services, maintenance, and certain accounting and administrative services for property owners' associations and clubs. These services may also include reservation and resort renovation activities. Such agreements are generally for terms of one year or less, and are renewed automatically on an annual basis. Our management agreements contain cancellation clauses, which allow for either party to cancel the agreement, by either a majority board vote or a majority vote of non-developer interests. We receive fees for such property management services which are collected monthly in advance and are based upon total costs to operate such resorts (or as services are provided in the case of resort renovation activities). Fees for property management services typically approximate 10% of budgeted operating expenses. We are entitled to consideration for reimbursement of costs incurred on behalf of the property owners' association in providing the management services ("reimbursable revenue"). 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 (Loss)/Income. We reduce management fees for amounts paid to the property owners' association that reflect maintenance fees for VOIs for which we retain ownership, as we have concluded that such payments are consideration payable to a customer.

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 (Loss)/Income. Property management revenues, which are comprised of management fee revenue and reimbursable revenue, were (in millions):

	2020	2019	2018
Management fee revenue	$ 343	$ 394	$ 314
Reimbursable revenues	252	308	351
Property management revenues	$ 595	$ 702	$ 665

One of the associations that we manage paid our Travel and Membership segment $27 million for exchange services during 2020, and $29 million during both 2019 and 2018.

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

Travel and Membership

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 vacation exchange network and, for some members, for other leisure-related services and products.

Travel and Membership derives a majority of revenues from membership dues and fees for facilitating members' trading of their intervals. Revenues from membership dues represent the fees paid by members or affiliated clubs on their behalf. We recognize revenues from membership dues paid by the member on a straight-line basis over the membership period as the

performance obligations are fulfilled through delivery of publications, if applicable, and by providing access to travel-related products and services. Estimated net contract consideration payable by affiliated clubs for memberships is recognized as revenue over the term of the contract with the affiliated club in proportion to the estimated average monthly member count. Such estimates are adjusted periodically for changes in the actual and forecasted member activity. For additional fees, members have the right to exchange their intervals for intervals at other properties affiliated with our vacation exchange networks and, for certain members, for other leisure-related services and products. We also derive revenue from facilitating bookings of travel accommodations for both members and non-members. Revenue is recognized when these transactions have been confirmed, net of expected cancellations.

Our vacation exchange business also derives revenues from programs with affiliated resorts, club servicing, and loyalty programs; and additional exchange-related products that provide members with 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. Other vacation exchange related product fees are deferred and recognized as revenue upon the occurrence of a future exchange, event, or other related transaction.

We also derive revenue from other travel products and services, enabled as a result of our 2019 acquisition of ARN and via our resort services solution business, optimizing business to business ("B2B") capabilities, and integration for consumer travel planning. Our relationships and buying power with major travel suppliers provide our partners with access to some of the most compelling travel inventory in the industry. Our affiliates and members enjoy inventory from accommodation wholesalers, airfare, and rental car providers.

We earn revenue from our RCI Elite Rewards co–branded credit card program, which is primarily generated by cardholder spending and the enrollment of new cardholders. The advance payments received under the program are recognized as a contract liability until our performance obligations have been satisfied. The primary performance obligation for the program relates to brand performance services. Total contract consideration is estimated and recognized on a straight-line basis over the contract term.

Prior to the sale of our vacation rental businesses, our vacation rental brands derived revenue from fees associated with the rental of vacation properties managed and marketed by Travel and Membership on behalf of independent owners. We remitted the rental fee received from the renter to the independent owner, net of our agreed-upon fee. The related revenue from such fees, net of expected refunds, was recognized over the renter's stay. Our vacation rental brands also derived revenues from additional services delivered to independent owners, vacation rental guests, and property owners' associations which were generally recognized when the service was delivered.

Within our Travel and Membership segment, we measure operating performance using the following key operating statistics: (i) average number of vacation exchange members, which represents paid members in our vacation exchange programs who are current on their annual membership dues, or within the allowed grace period, 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 revenues generated from fees associated with memberships, exchange transactions, and other servicing for the period divided by the average number of vacation exchange members during the period.

Other Items

We record property management services revenues and RCI Elite Rewards revenues for our Vacation Ownership and Travel and Membership 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. These reportable segments represent our operating segments for which discrete financial information is available and which are utilized on a regular basis by our chief operating decision maker to assess performance and to allocate resources. In identifying the reportable segments, we also consider the nature of services provided by our operating segments. Management uses net revenues and Adjusted EBITDA to assess the performance of the reportable segments. We define Adjusted EBITDA as Net (loss)/income from continuing operations before Depreciation and amortization, Interest expense (excluding Consumer financing interest), early extinguishment of debt, Interest income (excluding Consumer financing revenues) and income taxes. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, transaction costs, impairments, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent. We believe that Adjusted EBITDA is a useful measure of performance for our segments which, when considered with Generally Accepted Accounting Principles in the U.S. ("GAAP") measures, gives a more complete understanding of our

operating performance. Our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

OPERATING STATISTICS

The table below presents our operating statistics for the years ended December 31, 2020 and 2019. These operating statistics are the drivers of our revenues and therefore provide an enhanced understanding of our businesses. Refer to the Results of Operations section for a discussion on how these operating statistics affected our business for the periods presented.

	Year Ended December 31,		
	2020	2019	% Change [h]
Vacation Ownership [a]			
Gross VOI sales (in millions) [b] [i]	$ 967	$ 2,355	(58.9)
Tours (in 000s) [c]	333	945	(64.8)
Volume Per Guest ("VPG") [d]	$ 2,486	$ 2,381	4.4
Travel and Membership [a]			
Average number of members (in 000s) [e]	3,749	3,887	(3.5)
Exchange revenue per member [f]	$ 126.48	$ 166.54	(24.1)
Transactions (in 000s) [g]			
Exchange transactions	762	1,493	(49.0)
Non-exchange transactions	278	163	70.3
Total Travel and Membership transactions	1,040	1,656	(37.2)

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

(b) Represents total sales of VOIs, including sales under the Fee-for-Service program, before the effect of 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.

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

(d) VPG is calculated by dividing Gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) by the number of tours. We believe that VPG provides an enhanced understanding of the performance of our vacation ownership business because it directly measures the efficiency of this business's tour selling efforts during a given reporting period.

(e) Represents paid members in our vacation exchange programs who are current on their annual membership dues or within the allowed grace period.

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

(g) Represents the number of vacation transactions booked during the period, net of cancellations. Given recent acquisitions, we will be reporting transactions as a key operating metric for our Travel and Membership segment beginning in 2021. We provided the 2020 and 2019 data in advance of this change.

(h) Change percentages may not calculate due to rounding.

(i) The following table provides a reconciliation of Vacation ownership interest sales, net to Gross VOI sales for the years ended December 31, (in millions):

	2020	2019
Vacation ownership interest sales, net	$ 505	$ 1,848
Loan loss provision	415	479
Gross VOI sales, net of Fee-for-Service sales	920	2,327
Fee-for-Service sales [1]	47	28
Gross VOI sales	$ 967	$ 2,355

(1) Represents total sales of VOIs through our Fee-for-Service programs where inventory is sold through our sales and marketing channels for a commission. Fee-for-Service commission revenues were $22 million and $18 million during 2020 and 2019. These commissions are reported within Service and membership fees on the Consolidated Statements of (Loss)/Income.

Our 2020 operating statistics include the impacts of COVID-19 which were significantly negative for the travel industry, our company, our customers, and our employees. In response to COVID-19, our Vacation Ownership segment temporarily closed its resorts in mid-March 2020 across the globe and suspended its sales and marketing operations. These closures resulted in lower tours which negatively impacted gross VOI sales. In our Travel and Membership segment, affiliate resort closures and regional travel restrictions contributed to decreased bookings and increased cancellations, which resulted in lower net transactions, average number of members, and average revenue per member during 2020. The impact of COVID-19 on our operating statistics is expected to continue into 2021.

RESULTS OF OPERATIONS

Our consolidated results for the years ended December 31, 2020, versus December 31, 2019, are as follows (in millions):

	Year Ended December 31,		
	2020	2019	Favorable/ (Unfavorable)
Net revenues	$ 2,160	$ 4,043	$ (1,883)
Expenses	2,265	3,299	1,034
Gain on sale of business	—	(68)	(68)
Operating (loss)/income	(105)	812	(917)
Other (income), net	(14)	(23)	(9)
Interest expense	192	162	(30)
Interest (income)	(7)	(7)	—
(Loss)/income before income taxes	(276)	680	(956)
(Benefit)/provision for income taxes	(23)	191	214
Net (loss)/income from continuing operations	(253)	489	(742)
(Loss)/gain on disposal of discontinued business, net of income taxes	(2)	18	(20)
Net (loss)/income attributable to Travel + Leisure shareholders	$ (255)	$ 507	$ (762)

Net revenues decreased $1.88 billion during 2020 compared with 2019. During 2020 and in anticipation of increased defaults on VOCRs due to the impact of COVID-19, we recorded an additional $205 million provision which negatively impacted revenues and a corresponding $48 million benefit to cost of vacation ownership interests, representing estimated recoveries related to the additional provision. The net negative impact of the additional provision related to COVID-19 on Adjusted EBITDA was $157 million. Revenue decrease of $1.88 billion (46.5%) was unfavorably impacted by foreign currency of $4 million (0.1%). The remaining decrease in net revenues after the impact of the additional provision, excluding foreign currency impact, was primarily the result of:

- $1.31 billion of decreased revenues in our Vacation Ownership segment due to decreased net VOI sales as a result of the temporary closure of our resorts and suspension of sales and marketing operations directly related to COVID-19 and decreased property management revenues, consumer financing revenues, and ancillary revenues; and
- $367 million decrease in revenues in our Travel and Membership segment driven by the absence of vacation rentals revenue as a result of the sale of the North American vacation rentals business in October 2019, and the negative impact of COVID-19, partially offset by an increase in revenue at ARN, which was acquired in August 2019.

Expenses decreased $1.03 billion during 2020 compared with 2019. The decrease in expenses of $1.03 billion (31.3%) was impacted by favorable foreign currency of $3 million (0.1%). Excluding foreign currency impact, the decrease in expenses was the result of:

- $327 million decrease in marketing costs primarily due to the temporary suspension of sales and marketing operations;
- $326 million decrease in sales and commission expenses primarily due to lower gross VOI sales as a result of COVID-19;
- $194 million decrease in costs due to the sale of the North American vacation rentals business;
- $183 million decrease in the cost of VOIs sold primarily due to lower gross VOI sales, including the $48 million benefit representing estimated recoveries related to the additional provision for loan losses associated with COVID-19;
- $90 million decrease in property management expenses primarily due to lower management fees;
- $70 million decrease in general and administrative expenses related to COVID-19 impacts;
- $56 million decrease in Travel and Membership operating expenses associated with lower exchange and related service revenues driven by COVID-19 impacts and cost saving initiatives; and
- $45 million decrease in separation costs; partially offset by
- $88 million increase for COVID-19 related costs primarily due to workforce reduction;
- $48 million increase due to the write-down of exchange inventory;
- $44 million increase in maintenance fees on unsold inventory primarily due to the temporary closure of our resorts resulting in the inability to recover a portion of these costs;
- $30 million increase in restructuring expense primarily due to COVID-19 impacts;
- $29 million increase in impairments driven by COVID-19; and
- $20 million of increased revenue-related expenses from the ARN business.

Gain on sale of business was $68 million during 2019 due to the sale of the North American vacation rentals business.

Other income, net of other expense decreased $9 million during 2020 compared with 2019, due to the gain on sale of a building in 2019, higher business interruption recoveries in 2019, an unfavorable tax settlement in 2020, and decreased income from a profit share agreement at the Travel and Membership segment.

Interest expense increased $30 million during 2020 compared with 2019 due to higher average outstanding revolving credit facility balances driven by the drawdown of our $1.0 billion secured revolving credit facility as a precautionary measure due to COVID-19 and interest on the $650 million 6.625% secured notes issued in 2020 and the $350 million 4.625% secured notes issued in December 2019.

Our effective tax rates were 8.3% and 28.1% for the years ended December 31, 2020 and 2019. The change in the effective tax rate is primarily due to the impacts of COVID-19 on our taxable earnings. Increases in valuation allowances on the deferred tax assets reduced the overall effective tax rate. In addition, the jurisdictional composition resulted in profits within higher tax rate jurisdictions and losses in lower tax rate jurisdictions, which significantly impacted the overall effective tax rate.

Our 2019 results of operations reflect a negative impact from hurricane Dorian. We estimate that the hurricane reduced revenues, Adjusted EBITDA, and net income by $20 million, $11 million, and $8 million.

Loss on disposal of discontinued businesses, net of income taxes was $2 million during 2020 resulting from a tax audit, net of Wyndham Hotels' one-third share, related to the European vacation rentals business. Gain on disposal of discontinued businesses, net of income taxes was $18 million during 2019 mainly due to tax benefits associated with additional foreign tax credit utilization, lower than anticipated state income taxes, and the release of funds held in escrow related to the sale of the European vacation rentals business in 2018.

As a result of these items, Net loss attributable to Travel + Leisure shareholders was $255 million in 2020 as compared with Net income attributable to Travel + Leisure shareholders of $507 million in 2019.

Following is a discussion of the 2020 results of each of our segments compared to 2019 (in millions):

	Year Ended December 31,	
Net revenues	**2020**	**2019**
Vacation Ownership	$ 1,637	$ 3,151
Travel and Membership	528	898
Total reportable segments	2,165	4,049
Corporate and other [(a)]	(5)	(6)
Total Company	$ 2,160	$ 4,043

	Year Ended December 31,	
Reconciliation of Net income to Adjusted EBITDA	**2020**	**2019**
Net (loss)/income attributable to Travel + Leisure shareholders	$ (255)	$ 507
Loss/(gain) on disposal of discontinued business, net of income taxes	2	(18)
(Benefit from)/provision for income taxes	(23)	191
Depreciation and amortization	126	121
Interest expense	192	162
Interest (income)	(7)	(7)
Gain on sale of business	—	(68)
Asset impairments [(b)]	57	27
COVID-19 related costs [(c)]	56	—
Exchange inventory write-off	48	—
Restructuring	39	9
Stock-based compensation	20	20
Legacy items [(d)]	4	1
Acquisition and divestiture related costs	—	1
Separation and related costs [(e)]	—	45
Adjusted EBITDA	$ 259	$ 991

	Year Ended December 31,	
Adjusted EBITDA	**2020**	**2019**
Vacation Ownership	$ 121	$ 756
Travel and Membership	191	289
Total reportable segments	312	1,045
Corporate and other [(a)]	(53)	(54)
Total Company	$ 259	$ 991

(a) Includes the elimination of transactions between segments.
(b) Includes $5 million of bad debt expense related to a note receivable for the year ended December 31, 2020, included in Operating Expenses on the Consolidated Statements of (Loss)/Income.
(c) Reflects severance and other employee costs associated with layoffs due to the COVID-19 workforce reduction offset in part by employee retention credits received in connection with the U.S. CARES Act and similar international programs for wages paid to certain employees despite having operations suspended. This amount does not include costs associated with idle pay.
(d) Represents the resolution of and adjustment to certain contingent liabilities resulting from the Spin-off, the sale of the European vacation rentals business, and our separation from Cendant.
(e) Includes $4 million of stock based compensation expenses for the year ended 2019.

Vacation Ownership

Net revenues decreased $1.51 billion and Adjusted EBITDA decreased $635 million during 2020 compared with 2019. During 2020 and in anticipation of increased defaults on VOCRs due to the impacts of COVID-19, we recorded an additional $205 million provision which negatively impacted revenues and a corresponding $48 million benefit to cost of vacation ownership interests, representing estimated recoveries related to the additional provision. The net revenue decrease of $1.51 billion (48.0%) was unfavorably impacted by foreign currency of $1 million and the total Adjusted EBITDA decrease of $635 million (84.0%) was not materially impacted by foreign currency.

Other decreases in net revenues excluding the impact of currency were driven by:

- $1.41 billion decrease in gross VOI sales, net of Fee-for-Service sales, primarily driven by a 64.8% decrease in tours resulting from the temporary closure of our resorts and suspension of sales and marketing operations directly related to COVID-19; partially offset by a $269 million decrease in our provision for loan losses due to lower gross VOI sales;
- $107 million decrease in property management revenues primarily due to lower management fees and reimbursable revenues;
- $48 million decrease in consumer financing revenues primarily due to a lower weighted average interest rate earned on a lower average portfolio balance; and
- $21 million decrease in ancillary revenues primarily due to a decrease in trial vacation package revenue and our co-branded credit card program; partially offset by
- $5 million increase in commission revenues as a result of higher Fee-for-Service VOI sales.

In addition to the drivers mentioned above, Adjusted EBITDA excluding the impact of currency was further impacted by:

- $326 million decrease in sales and commission expenses primarily due to lower gross VOI sales;
- $321 million decrease in marketing costs primarily due to the temporary suspension of sales and marketing operations;
- $135 million decrease in the cost of VOIs sold primarily due to lower gross VOI sales and increased estimated inventory recoveries associated with our provision for loan losses;
- $90 million decrease in property management expenses primarily due to lower management fees and lower reimbursable expenses; and
- $30 million decrease in general and administrative expenses primarily due to lower employee-related costs; partially offset by
- $44 million increase in maintenance fees on unsold inventory primarily due to the temporary closure of our resorts resulting in the inability to recover a portion of these costs; and
- $31 million increase in COVID-19 related costs primarily due to workforce reduction.

Travel and Membership

Net revenues decreased $370 million and Adjusted EBITDA decreased $98 million during 2020 compared with 2019. Revenue decrease of $367 million (40.9%) was unfavorably impacted by foreign currency of $3 million (0.3%). Adjusted EBITDA decrease of $97 million (33.6%) was unfavorably impacted by foreign currency of $1 million (0.3%).

Decreases in net revenues excluding the impact of currency were driven by:

- $171 million net decrease in exchange and related service revenues driven by the negative impact of COVID-19 which resulted in higher cancellations and lower bookings;
- $153 million decrease in vacation rentals revenue as a result of the sale of the North American vacation rentals business in October 2019; and
- $43 million net decrease in ancillary revenues primarily due to the $54 million decrease of ancillary revenue generated by the North American vacations rentals business which was sold in October 2019 and an $8 million decrease in exchange ancillary revenue primarily related to COVID-19, partially offset by an increase in revenue of $19 million from ARN, which was acquired in August 2019.

In addition to the drivers mentioned above, 2020 Adjusted EBITDA, excluding the impact of currency, was further impacted by:

- $194 million decrease in costs due to the sale of the North American vacation rentals business; and
- $96 million of decreased costs primarily associated with cost savings and lower exchange and related service revenues; partially offset by
- $20 million of increased revenue-related expenses from the ARN business.

Corporate and other

Corporate and other Adjusted EBITDA increased $1 million (1.9%) during 2020 compared with 2019 and was not materially impacted by foreign currency. The growth in Adjusted EBITDA was primarily due to lower employee-related costs.

For comparative review of our consolidated results of operations and the results of operations of our reportable segments for the fiscal years ended December 31, 2019 and 2018, refer to Part II, Item 7 of our Annual Report on Form 10-K filed with the SEC on February 26, 2020.

DISCONTINUED OPERATIONS

We sold our European vacation rentals business on May 9, 2018. This sale resulted in final net proceeds of $1.06 billion and a 2018 after-tax gain of $456 million, net of $139 million in taxes. During 2020, we recognized a $2 million loss resulting from a tax audit. During 2019, we recognized an additional $18 million gain, related to $12 million of tax benefits associated with additional foreign tax credit utilization and lower than anticipated state income taxes, as well as $6 million in returned escrow for an expired guarantee and other changes in expired guarantees. We have provided post-closing credit support in order to ensure that Awaze meets the requirements of certain service providers and regulatory authorities. The results of operations of this business have been classified as discontinued operations on the Consolidated Financial Statements.

We completed the Spin-off on May 31, 2018, which resulted in our operations being held by two separate, publicly traded companies. The two public companies have entered 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. As a result of the Spin-off, we have classified the results of operations of our hotel business as discontinued operations on the Consolidated Financial Statements.

During 2018, there was a $50 million loss from operations of discontinued businesses, net of taxes. Separation and related costs from discontinued operations was $111 million during 2018.

SEPARATION AND TRANSACTION COSTS

During 2019, we incurred $45 million of expenses in connection with the Spin-off completed on May 31, 2018, which are reflected within continuing operations. These separation costs were related to stock compensation, severance and other employee costs, as well as impairment charges due to the write-off of right-of-use assets and furniture, fixtures and equipment as a result of our abandoning portions of our administrative offices in New Jersey. This decision was part of our continued focus on rationalizing existing facilities in order to reduce our corporate footprint. These expenses also include additional impairment charges associated with the write-off of assets and liabilities related to the early termination of an operating lease in Chicago, Illinois, partially offset by an indemnification receivable from Wyndham Hotels. Refer to Note 13—*Leases* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional detail regarding these impairments.

During 2018, we incurred $223 million of expenses in connection with the Spin-off which are reflected within continuing operations and include related costs of the Spin-off, of which $217 million were related to stock compensation modification expense, severance and other employee costs offset, in part, by favorable foreign currency. In addition, these costs include certain impairment charges related to the separation including property sold to Wyndham Hotels.

Additionally, during 2018, we incurred $111 million of separation related expenses in connection with the Spin-off and sale of the European vacation rentals business which are reflected within discontinued operations. These expenses include legal, consulting and auditing fees, stock compensation modification expense, severance and other employee-related costs.

RESTRUCTURING PLANS

During 2020, we recorded $37 million of charges related to restructuring initiatives, most which were COVID-19 related. Due to the impact of COVID-19, we decided in the second quarter of 2020 to abandon the remaining portion of our administrative offices in New Jersey. We were notified in the second quarter that Wyndham Hotels exercised its early termination rights under the sublease agreement. As a result, we recorded $22 million of restructuring charges associated with non-lease components of the office space and $24 million of impairment charges associated with the write-off of right-of-use assets and furniture, fixtures and equipment at the Travel and Membership segment. We also recognized $12 million of lease-related charges due to the renegotiation of an agreement and $2 million of facility-related restructuring charges associated with closed sales centers at the Vacation Ownership segment. We additionally recognized $1 million in employee related expenses associated with the consolidation of a shared service center within the Travel and Membership segment. We reduced the 2020 restructuring liability by $12 million of cash payments during 2020. The remaining 2020 restructuring liability of $25 million is expected to be paid

by the end of 2029.

During 2019, we recorded $5 million of charges related to restructuring initiatives, most of which are personnel-related resulting from a reduction of approximately 100 employees. This action is primarily focused on enhancing organizational efficiency and rationalizing operations. The charges consisted of (i) $2 million at the Vacation Ownership segment, (ii) $2 million at the Travel and Membership segment, and (iii) $1 million at our corporate operations. During 2020, we incurred an additional $1 million of restructuring expenses at both the Travel and Membership segment and our corporate operations. We reduced the restructuring liability by $5 million and $1 million of cash payments during 2020 and 2019. The remaining 2019 restructuring liability of less than $1 million is expected to be paid by the end of 2021.

During 2018, we recorded $16 million of charges related to restructuring initiatives, all of which are personnel-related resulting from a reduction of approximately 500 employees. This action was primarily focused on enhancing organizational efficiency and rationalizing operations. The charges consisted of (i) $11 million at the Vacation Ownership segment, (ii) $4 million at the Travel and Membership segment, and (iii) $1 million at our corporate operations. During 2019, we incurred an additional $3 million of restructuring expenses at the Vacation Ownership segment and an additional $1 million at our corporate operations related to these restructuring activities. We reduced the restructuring liability by $3 million, $13 million, and $4 million of cash payments during 2020, 2019, and 2018. The remaining 2018 restructuring liability of less than $1 million is expected to be paid by the end of 2021.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

(In millions)	December 31, 2020	December 31, 2019	Change
Total assets	$ 7,613	$ 7,453	$ 160
Total liabilities	8,581	7,977	604
Total deficit	(968)	(524)	(444)

Total assets increased $160 million from December 31, 2019, to December 31, 2020, due to:

- $841 million increase in Cash and cash equivalents primarily due to net cash proceeds from debt borrowings, partially offset by treasury share repurchases, and dividend payments; and
- $148 million increase in Inventory primarily due to an increase in completed inventory partially offset by net COVID-19 impacts of exchange inventory write-offs and estimated recoveries. These increases were partially offset by
- $26 million decrease in Restricted cash primarily due to decrease in collateral related to the USD bank conduit facility;
- $29 million decrease in Trade receivables, net primarily due lower sales activity as a result of COVID-19 impacts;
- $638 million decrease in Vacation ownership contract receivables, net, primarily due to lower VOI sales driven by the economic downturn as a result of COVID-19, and the additional $205 million allowance for loan losses recorded based on our evaluation of the potential impact of COVID-19 on owners' ability to repay their contract receivables, and
- $87 million decrease in Other assets primarily due to decreases in right-of-use assets related to COVID-19 impairments, deferred costs, and tax receivables.

Total liabilities increased $604 million from December 31, 2019, to December 31, 2020, due to:

- $1.15 billion increase in Debt due to $547 million increased net borrowing under our revolving credit facility and issuance of the $650 million 6.625% secured notes during the third quarter, partially offset by $40 million repayment of our 7.375% secured notes. This increase was partially offset by
- $44 million decrease in Accrued expenses and other liabilities primarily due to lower employee costs as a result of COVID-19 impacts, and deferred consideration payments for ARN acquisition;
- $94 million decrease in Deferred income primarily due to lower VOI trial package sales and lower upfront subscription payments associated with reduced member acquisition as a result of COVID-19;
- $307 million decrease in Non-recourse vacation ownership debt primarily due to net repayments; and
- $90 million decrease in Deferred income taxes due to installment sales of VOIs.

Total deficit increased $444 million from December 31, 2019, to December 31, 2020, due to $255 million of Net loss attributable to Travel + Leisure shareholders; $140 million of dividends; and $125 million share repurchases; partially offset by $39 million of Additional paid-in capital mainly due to changes in stock based compensation, equity based payment associated with the acquisition of ARN, and the issuance of common stock under our employee stock purchase plan; and $37 million of

favorable currency translation adjustments driven by fluctuations in the exchange rates, primarily of the euro, the Australian dollar, and the British pound sterling.

Liquidity and capital resources

The global spread of COVID-19 has significantly impacted the travel industry, our company, our customers, and our employees. In response to COVID-19, we temporarily closed our resorts and suspended our sales and marketing operations for the majority of April and May. As a result, we significantly reduced our workforce and furloughed thousands of employees. These actions have had, and continue to have, an impact on our operations, which could impact our liquidity in the future. However, we believe that our current net cash from operations, cash and cash equivalents on hand, and continued access to the debt markets provide us with sufficient liquidity to meet our ongoing cash needs for the next 12 months.

At the end of the first quarter, we drew down our $1.0 billion five-year revolving credit facility, which expires in May 2023, as a precautionary measure to enhance liquidity. As of December 31, 2020, we have $1.2 billion in cash and cash equivalents and $357 million of available capacity on our revolving credit facility, net of letters of credit.

On July 15, 2020, we amended our credit agreement ("Credit Agreement Amendment"). The Credit Agreement Amendment established a relief period ("Relief Period") with respect to our secured revolving credit facility, which commenced on July 15, 2020, and will end on April 1, 2022. Among other changes, this amendment adds a new minimum liquidity covenant, tested quarterly until the end of the Relief Period, of (i) $250 million plus (ii) 50% of the aggregate amount of dividends paid after the effective date of the Credit Agreement Amendment and on or prior to the last day of the relevant fiscal quarter.

On July 24, 2020, we issued $650 million senior secured notes maturing July 31, 2026, with an interest rate of 6.625%. The proceeds will be used for general corporate purposes, which may include the repayment of outstanding indebtedness under our secured revolving credit facility, the future repayment of our 5.625% secured notes due March 2021 and the payment of related fees and expenses. In the third quarter, we used a portion of these proceeds to repay $350 million of our indebtedness under the secured revolving credit facility.

We plan to continue to use our conduit facilities and non-recourse debt borrowings to finance VOCRs. During the second quarter of 2020, we successfully closed on a $325 million private securitization financing. While this transaction was at a higher cost compared to transactions we completed in the past, it was favorable to similar transactions completed in the public market at that time. We also closed on a $575 million securitization financing during the third quarter of 2020 at a similar cost compared to transactions we have completed in the past. These transactions positively impacted our liquidity and reinforced our expectation that we will be able to maintain adequate liquidity for the near future. Our underlying portfolio continues to perform well with delinquencies lower year-over-year, driven in part by deferral programs, as well as a more mature portfolio from reduced originations over the historically busy summer months. Requests for deferrals have continued to trend down since the second quarter of 2020, and now active deferments represent just one percent of loans outstanding.

Our non-recourse timeshare receivables U.S. dollars ("USD") bank conduit facility was renewed on October 27, 2020. The facility has a borrowing capacity of $800 million through October 2022, and had $632 million of available capacity as of December 31, 2020. Borrowings under this facility are required to be repaid as the collateralized receivables amortize, but no later than November 2023.

Our non-recourse timeshare receivables Australian and New Zealand dollars ("AUD" and "NZD") bank conduit facility has a borrowing capacity of A$255 million and NZ$48 million through September 2021 and available capacity of $58 million as of December 31, 2020. Borrowings under this facility are required to be repaid no later than September 2023.

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.

We are currently evaluating the impact of the transition from the London Interbank Offered Rate ("LIBOR") as an interest rate benchmark to other potential alternative reference rates, including but not limited to the Secured Overnight Financing Rate ("SOFR"). Currently, we have debt and derivative instruments in place that reference LIBOR-based rates. Although certain of these LIBOR based obligations provide for alternative methods of calculating the related interest rate payable (including transition to an alternative benchmark rate) if LIBOR is not reported, uncertainty as to the extent and manner of future changes may result in interest rates and/or payments that are higher than, lower than, or that do not otherwise correlate over time with the interest rates and/or payments that would have been made on our obligations if LIBOR was available in its current form.

The transition from LIBOR based benchmark rates is expected to begin January 1, 2022 and be completed when USD LIBOR rates are phased out by June 30, 2023. Management will continue to actively assess the related opportunities and risks involved in this transition. On October 27, 2020, we closed on the renewal of our USD bank conduit facility (see Note 16—*Debt* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional details) and adopted appropriate LIBOR disclosures for asset-backed securities ("ABS") financing structures as part of the renewal. We intend to include such language in our other relevant agreements prior to the end of 2021.

CASH FLOWS

The following table summarizes the changes in cash, cash equivalents and restricted cash between 2020 and 2019 (in millions). For a comparative review of the fiscal years ended December 31, 2019 and 2018, refer to the Cash Flows section in Part II, Item 7 of our Annual Report on Form 10-K filed with the SEC on February 26, 2020.

	Year Ended December 31,		
	2020	**2019**	**Change**
Cash provided by/(used in)			
Operating activities:			
Continuing operations	$ 374	$ 453	$ (79)
Discontinued operations	—	(1)	1
Investing activities:			
Continuing operations	(60)	(44)	(16)
Discontinued operations	(5)	(22)	17
Financing activities:			
Continuing operations	502	(289)	791
Discontinued operations	—	—	—
Effects of changes in exchange rates on cash and cash equivalents	4	1	3
Net change in cash, cash equivalents and restricted cash	$ 815	$ 98	$ 717

Operating Activities

Net cash provided by operating activities from continuing operations was $374 million for the year ended December 31, 2020, compared to $453 million in the prior year. This $79 million decrease in 2020 was driven by a $742 million decrease in net income from continuing operations; and a $170 million decrease in non-cash add-back items mainly due to lower deferred income taxes, partially offset by an $833 million decrease in cash utilized for working capital (net cash inflow due to the net change in assets and liabilities).

Net cash used in operating activities from discontinued operations was $1 million for the year ended December 31, 2019.

Investing Activities

Net cash used in investing activities from continuing operations was $60 million for the year ended December 31, 2020, compared to $44 million in the prior year. This increase was driven by $106 million of net proceeds from the sale of the North American vacation rentals business in 2019; partially offset by $51 million outflow for the acquisition of businesses in 2019, and $39 million lower property and equipment additions in 2020.
Net cash used in investing activities from discontinued operations was $5 million for the year ended December 31, 2020, compared to $22 million in the prior year. Cash used in investing activities from discontinued operations for both periods was related to the sale of the European vacation rental business.

Financing Activities

Net cash provided by financing activities from continuing operations was $502 million for the year ended December 31, 2020, compared to net cash used of $289 million in the prior year. This increase was primarily due to $1.02 billion of higher net proceeds from debt and notes driven by $650 million note issuance and net proceeds of $547 million on our secured revolving credit facility in 2020, partially offset by $128 million of net proceeds from debt and notes in 2019 and a $40 millior note repayment in 2020. Additionally, the remaining increase was due to a $212 million decrease in cash used for share repurchases, and $69 million of payments made to Wyndham Hotels in 2019, for which there was no equivalent in 2020. These increases were partially offset by $518 million of higher net repayments of non-recourse debt in 2020.

Capital Deployment

We focus on deploying capital for the highest possible returns. Ultimately, our business objective is to grow our business while optimizing cash flow and Adjusted EBITDA. We intend to continue to invest in select capital and technological improvements across our business. We may also seek to strategically grow the business through merger and acquisition activities. We also intend to reduce our long term indebtedness and seek to return to a first lien leverage ratio below 4.25 to 1.0 on or prior to April 1, 2022. Finally, over the long term we intend to continue to return value to shareholders through the repurchase of common stock and payment of dividends, although our share repurchase program has been suspended since March 2020 as a result of the impact of COVID-19. All future declarations of quarterly cash dividends are subject to final approval by the Board.

During 2020, we spent $177 million in vacation ownership development projects (inventory), a reduction of approximately $83 million from the expected spend as communicated in our 2019 Annual Report on Form 10-K filed with the SEC on February 26, 2020, due to the impact of COVID-19 on our industry and business. We believe that our vacation ownership business currently has adequate finished inventory on our balance sheet to support vacation ownership sales for at least 2021. The average inventory spend on vacation ownership development projects for the five-year period from 2021 through 2025 is expected to be between $170 million and $200 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 2020, we invested $69 million for capital expenditures, primarily on information technology enhancement and facility related projects, a reduction of approximately $50 million from the expected spend as communicated in our 2019 Annual Report on Form 10-K filed with the SEC on February 26, 2020, due to the impact of COVID-19. During 2021, we anticipate investing $70 million to $75 million on capital expenditures.

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 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 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. We expect that additional expenditures will be financed with general secured corporate borrowings, including through the use of available capacity under our revolving credit facility.

Stock Repurchase Program

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 in October 2017 by $1.0 billion, bringing the total authorization under the current program to $6.0 billion. Proceeds received from stock option exercises have increased the repurchase capacity by $78 million since the inception of this program. We had $351 million of remaining availability in our program as of December 31, 2020.

Under our current share repurchase program, we repurchased 3.1 million shares at an average price of $40.79 for a cost of $125 million during the year ended December 31, 2020. 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. We suspended share repurchase activity in March 2020 due to uncertainty associated with COVID-19. On July 15, 2020, we amended the credit agreement for our revolving credit facility and term loan B. Among other changes, the Credit Agreement Amendment places us into a Relief Period from July 15, 2020 through April 1, 2022 that prohibits the use of cash for share repurchases until such time as we choose to exercise our option to exit the amendment.

Dividends

For each of the quarterly periods ended March 31, and June 30, 2020 we paid cash dividends of $0.50 per share, and for each of the quarterly periods ended September 30, and December 31, 2020 we paid cash dividends of $0.30 per share. For each of the quarterly periods in 2019, we paid cash dividends of $0.45 per share. During the quarterly period ended March 31, 2018, Wyndham Worldwide Corporation (“Wyndham Worldwide”) paid cash dividends of $0.66 per share, and in each of the quarterly periods ended June 30, September 30, and December 31, 2018, we paid cash dividends of $0.41 per share. The dividend of $0.66 per share was declared by Wyndham Worldwide prior to the Spin-off. The aggregate of dividends paid to shareholders for 2020, 2019, and 2018, were $138 million, $166 million, and $194 million.

On July 15, 2020, we amended the credit agreement governing our revolving credit facility and term loan B. Among other changes, the amendment places us into a Relief Period which adds a new minimum liquidity covenant, tested quarterly until the end of the Relief Period, of (i) $250 million plus (ii) 50% of the aggregate amount of dividends paid after the amendment effective date and on or prior to the last day of the relevant fiscal quarter. Additionally, the amendment limits the payout of dividends during the Relief Period to not exceed $0.50 per share, the rate in effect prior to the amendment.

Although our quarterly dividend was reduced during the third quarter of 2020 due to the impact of COVID-19, we intend to grow our dividend at the rate of growth of our earnings at a minimum, with the exception of the adjustment during 2018 as a result of the Spin-off, and limitations set by the Credit Agreement Amendment. 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. There is no assurance that a payment of a dividend or a dividend at current levels will occur in the future.

Foreign Earnings

Although the one-time mandatory deemed repatriation tax during 2017 and the territorial tax system created as a result of the Tax Cuts and Jobs Act, which is also commonly referred to as ‘‘U.S. tax reform,” generally eliminate U.S. federal income taxes on dividends from foreign subsidiaries, we assert that substantially all of the undistributed foreign earnings of $805 million will be reinvested indefinitely as of December 31, 2020. In the event we determine not to continue to assert that all or part of our undistributed foreign earnings are permanently reinvested, such a determination in the future could result in the accrual and payment of additional foreign withholding taxes, as well as U.S. taxes on currency transaction gains and losses, the determination of which is not practicable.

LONG-TERM DEBT COVENANTS

The revolving credit facilities and term loan B are subject to covenants including the maintenance of specific financial ratios as defined in the credit agreement. The financial ratio covenants consist of a minimum interest coverage ratio and a maximum first lien leverage ratio. The interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreement) by consolidated interest expense (as defined in the credit agreement), both as measured on a trailing 12-month basis preceding the measurement date. The first lien leverage ratio is calculated by dividing consolidated first lien debt (as defined in the credit agreement) as of the measurement date by consolidated EBITDA (as defined in the credit agreement) as measured on a trailing 12-month basis preceding the measurement date.

The global spread of COVID-19 has significantly impacted the travel industry, our company, our customers, and our employees. Our response to COVID-19 initially focused on the health and safety of our owners, members, guests and employees, when we closed the majority of our resorts and sales centers. We were also keenly focused on preserving cash, cutting costs, and managing liquidity. While we have reopened 81% of our resorts as of December 31, 2020 (92% as of the date of this filing) and reopened 86% of our sales offices (92% as of the date of this filing), the continued impact of COVID-19 on our industry and business will lead to a higher first lien leverage ratio in the near term. On July 15, 2020, we amended the credit agreement governing the revolving credit facility and term loan B which increased the maximum first lien leverage ratio and decreased the minimum interest coverage ratio allowed during the specified Relief Period through the first quarter of 2022. The Relief Period includes certain restrictions on the use of cash including the prohibition of share repurchases unless the first lien leverage ratio is below the original ratio of 4.25 to 1.0 after the share repurchase. We have the option to terminate this Relief Period at any time we can demonstrate compliance with the 4.25 to 1.0 first lien leverage ratio. As of December 31, 2020, the Relief Period increased the maximum first lien leverage ratio to not exceed 7.50 to 1.0. Additionally, during the Relief Period, a new minimum liquidity covenant was added, which is tested quarterly until the end of the Relief Period, and requires us to maintain an interest coverage ratio (as defined in the credit agreement) of not less than 2.00 to 1.0. See Note 16 —*Debt* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional details.

As of December 31, 2020, our first lien leverage ratio was 5.4 to 1.0 and our interest coverage ratio was 3.0 to 1.0. These ratios do not include interest expense or indebtedness related to any qualified securitization financing (as defined in the credit agreement). As of December 31, 2020, we were in compliance with the financial covenants described above. Under the credit agreement, if our first lien leverage ratio exceeds 4.25 to 1.0, the interest rate on revolver borrowings would increase, and we would be subject to higher fees associated with our letters of credit. Given the first lien leverage ratio at December 31, 2020, the interest rate on the revolver borrowings will increase 25 basis points effective March 1, 2021. This interest rate is subject to future changes based on our first lien ratio which could serve to further increase the rate up to an additional 25 basis points, or reduce this rate.

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 VOCRs 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, 2020, all of our securitized loan pools were in compliance with applicable contractual triggers.

For additional details regarding our credit facilities, term loan B, and non-recourse debt see Note 16—*Debt* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

LIQUIDITY

Our vacation ownership business finances certain of its VOCRs through (i) asset-backed conduit facilities and (ii) term asset-backed securitizations, all of which are non-recourse to us with respect to principal and interest.

We believe that our USD bank conduit facility with an extended term through October 2022 and our AUD/NZD bank conduit facility, with a current term through September 2021, amounting to a combined capacity of $1.03 billion, along 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 for the next 12 months. As of December 31, 2020, we had $690 million of availability under these asset-backed conduit facilities. Any disruption to the asset-backed securities market could adversely impact our future ability to obtain asset-backed financings.

Our liquidity position may also be negatively affected by unfavorable conditions in the capital markets in which we operate or if our VOCRs portfolios do not meet specified portfolio credit parameters. Our liquidity, as it relates to our VOCRs 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 VOCRs deteriorate. Our ability to sell securities backed by our VOCRs depends on the continued ability and willingness of capital market participants to invest in such securities. During the second quarter of 2020, we successfully closed on a $325 million private securitization financing. While this transaction was at a higher cost compared to transactions we have completed in the past, it was favorable to similar transactions completed in the public market at that time. We also closed on a $575 million securitization financing during the third quarter of 2020 at a similar cost compared to transactions we have completed in the past. These transactions positively impacted our liquidity and reinforced our expectation that we will be able to maintain adequate liquidity for the near future.

We primarily utilize surety bonds in 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 $2.3 billion, of which we had $261 million outstanding as of December 31, 2020. 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 our corporate credit rating. If the bonding capacity is unavailable or, alternatively, the terms and conditions and pricing of the bonding capacity are unacceptable to us, our vacation ownership business could be negatively impacted.

During the second quarter of 2020, Moody's Investors Service, Inc. downgraded our secured debt rating from Ba2 to Ba3 with a "negative outlook." Our secured debt is rated BB- with a "negative outlook" by S&P, and BB+ with a "negative outlook" by 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. For information regarding the impact of our credit rating downgrade and credit rating downgrade of Wyndham Hotels, see Note 29—*Transactions with Former Parent and Former Subsidiaries - Matters Related to the European Vacation Rentals Business*to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

SEASONALITY

We experience seasonal fluctuations in our net revenues and net income from sales of VOIs and vacation exchange fees. Revenues from sales of VOIs are generally higher in the third quarter than in other quarters due to increased leisure travel. Revenues from vacation exchange fees are generally highest in the first quarter, which is generally when members of our

vacation exchange business book their vacations for the year. Our seasonality has been and could continue to be impacted by COVID-19.

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

From time to time, we are involved in claims, legal and regulatory proceedings, and governmental inquiries related to our business, none of which, in the opinion of management, is expected to have a material effect on our results of operations or financial condition. See Note 20—*Commitments and Contingencies* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a description of claims and legal actions arising in the ordinary course of our business along with our guarantees and indemnifications and Note 29—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a description of our obligations regarding Cendant contingent litigation, matters related to Wyndham Hotels, matters related to the European vacation rentals business, and matters related to the North American vacation rentals business.

CONTRACTUAL OBLIGATIONS

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

	2021	2022	2023	2024	2025	Thereafter	Total
Debt	$ 253	$ 653	$ 952	$ 301	$ 622	$ 1,395	$ 4,176
Non-recourse debt [a]	369	341	223	224	241	836	2,234
Interest on debt [b]	268	229	190	160	138	134	1,119
Purchase commitments [c]	228	184	100	100	98	263	973
Operating leases	35	30	28	27	23	49	192
Inventory sold subject to conditional repurchase [d]	29	30	—	—	—	—	59
Separation liabilities [e]	1	12	—	—	—	2	15
Finance leases	3	3	2	—	—	—	8
Other [f]	11	—	10	—	—	—	21
Total [g]	$ 1,197	$ 1,482	$ 1,505	$ 812	$ 1,122	$ 2,679	$ 8,797

(a) Represents debt that is securitized through bankruptcy-remote special purpose entities the creditors of which have no recourse to us for principal and interest.
(b) Includes interest on both debt and non-recourse debt; estimated using the stated interest rates on our debt and non-recourse debt.
(c) Includes (i) $714 million for marketing related activities, (ii) $143 million relating to the development of vacation ownership properties, $53 million of which is included within Accrued expenses and other liabilities on the Consolidated Balance Sheets included in Item 8 of this Annual Report on Form 10-K; and (iii) $31 million for information technology activities. Commitments for marketing related activities decreased $317 million from 2019 to 2020, primarily related to renegotiated and exited contracts as a result of COVID-19.
(d) Represents obligations to repurchase completed vacation ownership properties from third-party developers (see Note 11— *Inventory* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further detail) of which $13 million is included within Accrued expenses and other liabilities on the Consolidated Balance Sheets included in Item 8 of this Annual Report on Form 10-K.
(e) Represents liabilities which we assumed and are responsible for pursuant to the Cendant separation and Spin-off (See Note 29— *Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further detail).
(f) Represents future consideration to be paid for the acquisition of ARN (See Note 5— *Acquisitions* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further detail).
(g) Excludes a $35 million liability for unrecognized tax benefits since it is not reasonably estimable to determine the periods in which such liability would be settled with the respective tax authorities.

In addition to the amounts shown in the table 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. For information on matters related to our former parent and subsidiaries see Note 29—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

OTHER COMMERCIAL COMMITMENTS AND OFF-BALANCE SHEET ARRANGEMENTS

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 80% 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 $550 million as of December 31, 2020. 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 2020, 2019, and 2018, we made payments related to these guarantees of $13 million, $11 million, and $10 million. As of December 31, 2020 and 2019, we maintained a liability in connection with these guarantees of $26 million and $21 million included within Accrued expenses and other liabilities on the Consolidated Balance Sheets included in Item 8 of this Annual Report on Form 10-K.

We guarantee our Vacation Ownership subsidiary's obligations to repurchase completed property in Las Vegas, Nevada, from third-party developers subject to the property meeting our vacation ownership resort standards and provided that the third-party developers have not sold the property to another party. The maximum potential future payments that we may be required to make under these commitments was $59 million as of December 31, 2020.

As part of the Fee-for-Service program, we 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, 2020, the maximum potential future payments that we may be required to make under these guarantees is $32 million. As of December 31, 2020 and 2019, we had no recognized liabilities in connection with these guarantees.

In connection with our vacation ownership inventory sale transactions, for which 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. As a result of the Spin-off, we failed to maintain an investment-grade credit rating with at least one rating agency, which triggered a default. During 2018, we agreed to pay $8 million in fees in lieu of posting collateral in favor of the development partner in an amount equal to the remaining obligations under the agreements.

Securitizations. We pool qualifying VOCRs and sell them to bankruptcy-remote entities, all of which are consolidated into the accompanying Consolidated Balance Sheets as of December 31, 2020.

Letters of Credit. As of December 31, 2020, we had $127 million of irrevocable standby letters of credit outstanding, of which $96 million were under our revolving credit facilities. As of December 31, 2019, we had $60 million of irrevocable standby letters of credit outstanding, of which $17 million were under our revolving credit facilities. Such letters of credit issued during 2020 include a $48 million letter of credit for guarantees related to the sale of the European vacation rentals business in which Wyndham Hotels and Travel + Leisure are required to maintain certain credit ratings, see Note 29—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form

10-K for additional details. The letters of credit issued during 2020 and 2019 also supported the securitization of VOCRs fundings, certain insurance policies, and development activity in our vacation ownership business.

Surety Bonds. As of December 31, 2020, we had assembled commitments from 12 surety providers in the amount of $2.3 billion, of which $261 million was outstanding. See Note 20—*Commitments and Contingencies* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional discussion of our surety bonds.

CRITICAL ACCOUNTING POLICIES

In presenting our financial statements in conformity with GAAP, 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. In addition to our significant accounting policies referenced in Note 2—*Summary of Significant Accounting Policies* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K, 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 developer-financed sales. Developer financed sales are typically collateralized by the underlying VOI. Revenue is recognized on VOI sales upon transfer of control, which is defined as the point in time when a binding sales contract has been executed, the financing contract has been executed for the remaining transaction price, the statutory rescission period has expired, and the transaction price has been deemed to be collectible. For developer-financed sales, we reduce the VOI sales transaction price by an estimate of uncollectible consideration at the time of the sale. Our estimates of uncollectible amounts are based largely on the results of our static pool analysis which relies on historical payment data by customer class. In connection with entering into a VOI sale, we may provide our customers with certain non-cash incentives, such as credits for future stays at our resorts. For those VOI sales, we bifurcate the sale and allocate the sales price between the VOI sale and the non-cash incentive. Non-cash incentives generally have expiration periods of 18 months or less and are recognized at a point in time upon transfer of control.

Allowance for Loan Losses. In our Vacation Ownership segment, we provide for estimated VOCR defaults at the time of VOI sales by recording a provision for loan losses as a reduction of Vacation ownership interest sales on the Consolidated Statements of (Loss)/Income. We assess the adequacy of the allowance for loan losses based on the historical performance of similar VOCRs. 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 VOCRs.

During the first quarter of 2020, we evaluated the impact of COVID-19 on our owners' ability to repay their contract receivables and as a result we recorded an additional $225 million allowance. We based our COVID-19 loan loss estimate upon historical data on the relationship between unemployment rates and net new defaults observed during the most recent recession. The allowance recorded provided for the full estimated impact of a prolonged recession (approximately 15-20 months to return to pre-COVID-19 defaults) based on our historical data for the most recent recession in 2008. As a result of our quarterly analysis on the impact of COVID-19 on our owners, in the fourth quarter there was an improvement in net new defaults and lower than expected unemployment rates; as such we reduced this reserve by $20 million. If unemployment rates or our collection experience for our VOCRs differ significantly from current expectations, we may need to further increase or decrease our allowance for loan losses for VOCRs. As of December 31, 2020, given the significant amount of government assistance provided to consumers in the early stages of the pandemic, we expect defaults to remain elevated for the next 12-15 months as a result of COVID-19.

Inventory. Our 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. 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 (Loss)/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 a quantitative assessment, with an impairment being recognized only if a reporting unit's 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 quantitative assessment. 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.

Given the impact of COVID-19 on our industry and business, we performed a qualitative assessment for impairment on each reporting unit's goodwill, as well as a quantitative assessment on ARN's goodwill, during 2020. Based on the results of these assessments performed during 2020, we determined that ARN's goodwill is not impaired and that it is more likely than not that our goodwill is not impaired at our other reporting units. To the extent estimated discounted cash flows are revised downward for ARN, whether as a result of continued and worsening COVID-19 impacts or if management's current negotiations to expand ARN programs both internally and externally do not materialize as expected, we may be required to write-down all or a portion of goodwill, which would adversely impact earnings.

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.

In addition to the goodwill assessment mentioned above, as a result of the impacts of COVID-19 we performed an impairment analysis on our property and equipment, inventory, other intangible assets and certain other assets during 2020. There were $10 million of impairments recognized during the first quarter of 2020 related to prepaid development costs and undeveloped land and impairment of the Love Home Swap tradename. In the second quarter, we recorded a $24 million impairment related to the New Jersey lease (see Note 28—*Restructuring* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional details), and a $9 million impairment related to other assets including equity investments, lease assets, and furniture, fixtures and equipment. During the third quarter we recorded $6 million of impairments driven by right-to-use leases and related fixed assets within the Vacation Ownership segment due to closed sales centers. During the fourth quarter we recorded a $1 million impairment driven by right-to-use leases at our corporate segments and another $1 million impairment related to a terminated marketing agreement at the Vacation Ownership segment. These impairments are included within Asset impairments on the Consolidated Statements of (Loss)/Income included in Item 8 of this Annual Report

on Form 10-K. For additional details on these impairments see Note 27—*Impairments and Other Charges* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

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. 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.

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.

Refer to Note 2—*Summary of Significant Accounting Policies* and Note 9—*Income Taxes* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional detail.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We use various financial instruments, particularly interest rate caps, to manage and reduce the interest rate risk related to our debt. Foreign currency forwards and swaps are also used to manage and reduce the foreign currency exchange rate risk associated with our foreign currency denominated receivables and payables, forecasted royalties, forecasted earnings, 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 19—*Financial Instruments* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K. Our principal market exposures are interest rate and foreign currency rate risks.

- Our primary interest rate exposure as of December 31, 2020, was to interest rate fluctuations in the U.S., 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 are currently evaluating the impact of the transition from LIBOR as an interest rate benchmark to other potential alternative reference rates, including but not limited to SOFR. Currently, we have debt and derivative instruments in place that reference LIBOR-based rates. Although certain of these LIBOR based obligations provide for alternative methods of calculating the related interest rate payable (including transition to an alternative benchmark rate) if LIBOR is not reported, uncertainty as to the extent and manner of future changes may result in interest rates and/or payments that are higher than, lower than, or that do not otherwise correlate over time with the interest rates and/or payments that would have been made on our obligations if LIBOR was available in its current form. The transition from LIBOR based benchmark rates is expected to begin January 1, 2022 and be completed when USD LIBOR rates are phased out by June 30, 2023. Management will continue to actively assess the related opportunities and risks involved in this transition. On October 27, 2020, we closed on the renewal of our USD bank conduit facility (see Note 16—*Debt* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional details) and adopted appropriate LIBOR disclosures for asset-backed securities ("ABS") financing structures as part of the renewal. We intend to include such language in our other relevant agreements prior to the end of 2021.
- We have foreign currency rate exposure to exchange rate fluctuations worldwide particularly with respect to the euro, British pound sterling, Australian and Canadian dollars, and Mexican peso. We anticipate that such foreign currency exchange rate risk will remain a market risk exposure for the foreseeable future.

We assess our market risks based on changes in interest and foreign currency exchange rates utilizing a sensitivity analysis that 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. We used December 31, 2020 market rates to perform a sensitivity analysis separately for each of our market risk exposures. The estimates assume instantaneous, parallel shifts in interest rate yield curves and exchange rates. We have determined, through such analyses, that a hypothetical 10% change in the interest rates would have resulted in a less than $1 million increase or decrease in annual consumer financing interest expense and total interest expense. We have determined that a hypothetical 10% change in the foreign currency exchange rates would have resulted in an approximate increase or decrease to the fair value of our outstanding forward foreign currency exchange contracts of $6 million, which would generally be offset by an opposite effect on the underlying exposure being economically hedged. As such, we believe that a 10% change in interest rates or foreign currency exchange rates would not have a material effect on our prices, earnings, fair values, or cash flows.

Our variable rate borrowings, which include our term loan, non-recourse conduit facilities, and revolving credit facility, expose us to risks caused by fluctuations in the applicable interest rates. The total outstanding balance of such variable rate borrowings at December 31, 2020, was $341 million in non-recourse debt and $838 million in corporate debt. A 100 basis point change in the underlying interest rates would result in a $3 million increase or decrease in annual consumer financing interest expense and a $8 million increase or decrease in our annual 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 VOCRs. 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 to hedge underlying exposure that primarily consist of our non-functional current assets and liabilities and those of 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, 2020. 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, 2020, the absolute notional amount of our outstanding foreign exchange hedging instruments was $83 million. 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, 2020, 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

INDEX TO ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Travel + Leisure Co.
Orlando, Florida

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Travel + Leisure Co. (formerly Wyndham Destinations, Inc.) and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of (loss)/income, comprehensive (loss)/income, cash flows, and equity/(deficit) for each of the three years in the period ended December 31, 2020, 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, 2020, 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, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, 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, 2020, 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. 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.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Loan Losses - Refer to Notes 2 and 10 in the financial statements

Critical Audit Matter Description

The Company generates vacation ownership contract receivables by extending financing to the purchasers of its vacation ownership interests. The Company assesses the adequacy of the allowance for loan losses related to these vacation ownership interests using a technique referred to as a static pool model. The model is based upon the historical performance of similar vacation ownership contract receivables and incorporates more recent history of default information. Management prepares a static pool analysis to track defaults for each year's sales over the entire life of the contract receivable as a means to project future losses. A further qualitative assessment is also performed by the Company which considers whether any external economic conditions or internal portfolio characteristics exist which indicate an adjustment is necessary to reflect expected impacts on the contract receivable portfolio. Due to the economic disruption resulting from COVID-19, the Company estimated an additional loan loss allowance related to the impacts on the owners' ability to repay their contract receivables. The Company based its COVID-19 loan loss estimate upon historical data on the relationship between unemployment rates and net new defaults observed during the most recent recession in 2008.

Given the level of difficulty required to accurately predict losses over the life of the contract receivables, including the determination of any qualitative adjustments, auditing the allowance for loan losses involved especially complex and subjective judgements.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the vacation ownership interest allowance for loan loss included the following, among others:

- We tested the effectiveness of controls over the Company's Static Pool model, COVID-19 loan loss estimate, historical loss data, and the calculation of a loss rate.
- We evaluated the qualitative adjustment to the historical loss rates, including assessing the basis for the adjustments and the reasonableness of the significant assumptions for the Static Pool model and COVID-19 loan loss estimate.
- We tested the accuracy and evaluated the relevance of the historical loss data as an input to the Static Pool model and COVID-19 loan loss estimate.
- We tested the accuracy and evaluated the relevance of the historical and future projected unemployment rate data as an input to the COVID-19 loan loss estimate.
- We performed our own independent analyses using alternative assumptions to assess the reasonableness of the specific allowance models used by the Company.
- We evaluated the predictability of the Company's models through analyzing the results of a look-back analysis.
- We utilized our credit specialists to evaluate the Static Pool model and COVID-19 loan loss estimate.

/s/ Deloitte & Touche LLP

Tampa, Florida
February 24, 2021

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

TRAVEL + LEISURE CO.
CONSOLIDATED STATEMENTS OF (LOSS)/INCOME
(In millions, except per share amounts)

	Year Ended December 31,		
	2020	**2019**	**2018**
Net revenues			
Service and membership fees	$ 1,139	$ 1,606	$ 1,611
Vacation ownership interest sales	505	1,848	1,769
Consumer financing	467	515	491
Other	49	74	60
Net revenues	2,160	4,043	3,931
Expenses			
Operating	1,130	1,648	1,642
Cost of vacation ownership interests	2	186	183
Consumer financing interest	101	106	88
General and administrative	398	491	513
Marketing	329	666	609
Depreciation and amortization	126	121	138
COVID-19 related costs	88	—	—
Asset impairments	52	27	(4)
Restructuring	39	9	16
Separation and related costs	—	45	223
Total expenses	2,265	3,299	3,408
Gain on sale of business	—	(68)	—
Operating (loss)/income	(105)	812	523
Other (income), net	(14)	(23)	(38)
Interest expense	192	162	170
Interest (income)	(7)	(7)	(5)
(Loss)/income before income taxes	(276)	680	396
(Benefit from)/provision for income taxes	(23)	191	130
Net (loss)/income from continuing operations	(253)	489	266
Loss from operations of discontinued businesses, net of income taxes	—	—	(50)
(Loss)/gain on disposal of discontinued business, net of income taxes	(2)	18	456
Net (loss)/income attributable to Travel + Leisure shareholders	$ (255)	$ 507	$ 672
Basic earnings/(loss) per share			
Continuing operations	$ (2.95)	$ 5.31	$ 2.69
Discontinued operations	(0.02)	0.19	4.11
	$ (2.97)	$ 5.50	$ 6.80
Diluted earnings/(loss) per share			
Continuing operations	$ (2.95)	$ 5.29	$ 2.68
Discontinued operations	(0.02)	0.19	4.09
	$ (2.97)	$ 5.48	$ 6.77

See Notes to Consolidated Financial Statements.

TRAVEL + LEISURE CO.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)/INCOME
(In millions)

	Year Ended December 31,		
	2020	**2019**	**2018**
Net (loss)/income attributable to Travel + Leisure shareholders	$ (255)	$ 507	$ 672
Other comprehensive income/(loss), net of tax			
Foreign currency translation adjustments, net of tax	37	—	(38)
Defined benefit pension plans, net of tax	(1)	—	5
Other comprehensive income/(loss), net of tax	36	—	(33)
Comprehensive (loss)/income attributable to Travel + Leisure shareholders	$ (219)	$ 507	$ 639

See Notes to Consolidated Financial Statements.

TRAVEL + LEISURE CO.
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	December 31, 2020	December 31, 2019
Assets		
Cash and cash equivalents	$ 1,196	$ 355
Restricted cash (VIE - $92 as of 2020 and $110 as of 2019)	121	147
Trade receivables, net	115	144
Vacation ownership contract receivables, net (VIE - $2,458 as of 2020 and $2,984 as of 2019)	2,482	3,120
Inventory	1,347	1,199
Prepaid expenses	204	221
Property and equipment, net	666	680
Goodwill	964	970
Other intangibles, net	131	143
Other assets	387	474
Total assets	$ 7,613	$ 7,453
Liabilities and (deficit)		
Accounts payable	$ 62	$ 73
Accrued expenses and other liabilities	929	973
Deferred income	447	541
Non-recourse vacation ownership debt (VIE)	2,234	2,541
Debt	4,184	3,034
Deferred income taxes	725	815
Total liabilities	8,581	7,977
Commitments and contingencies (Note 20)		
Stockholders' (deficit):		
Preferred stock, $.01 par value, authorized 6,000,000 shares, none issued and outstanding	—	—
Common stock, $.01 par value, 600,000,000 shares authorized, 221,755,960 issued as of 2020 and 220,863,070 as of 2019	2	2
Treasury stock, at cost – 135,824,676 shares as of 2020 and 132,759,876 shares as of 2019	(6,508)	(6,383)
Additional paid-in capital	4,157	4,118
Retained earnings	1,390	1,785
Accumulated other comprehensive loss	(16)	(52)
Total stockholders' (deficit)	(975)	(530)
Noncontrolling interest	7	6
Total (deficit)	(968)	(524)
Total liabilities and (deficit)	$ 7,613	$ 7,453

See Notes to Consolidated Financial Statements.

TRAVEL + LEISURE CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2020	**2019**	**2018**
Operating activities			
Net (loss)/income	$ (255)	$ 507	$ 672
Loss from operations of discontinued businesses, net of income taxes	—	—	50
Loss/(gain) on disposal of discontinued business, net of income taxes	2	(18)	(456)
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:			
Depreciation and amortization	126	121	138
Provision for loan losses	415	479	456
Deferred income taxes	(88)	79	122
Stock-based compensation	20	24	129
Asset impairments	52	36	5
Gain on sale of business	—	(68)	—
Non-cash lease expense	23	31	—
Non-cash interest	23	21	20
Net change in assets and liabilities, excluding impact of acquisitions and dispositions:			
Trade receivables	30	(15)	(27)
Vacation ownership contract receivables	237	(562)	(615)
Inventory	(119)	13	(27)
Prepaid expenses	15	(64)	(26)
Other assets	23	1	(17)
Deferred income	(100)	10	7
Accounts payable, accrued expenses, and other liabilities	(21)	(151)	(146)
Other, net	(9)	9	7
Net cash provided by operating activities - continuing operations	374	453	292
Net cash (used in)/provided by operating activities - discontinued operations	—	(1)	150
Net cash provided by operating activities	374	452	442
Investing activities			
Property and equipment additions	(69)	(108)	(99)
Acquisition of business, net of cash acquired	—	(51)	(5)
Proceeds from asset sales	—	6	12
Proceeds from sale of business, net	—	106	1
Other, net	9	3	(8)
Net cash used in investing activities - continuing operations	(60)	(44)	(99)
Net cash used in investing activities - discontinued operations	(5)	(22)	(626)
Net cash used in investing activities	(65)	(66)	(725)
Financing activities			
Proceeds from non-recourse vacation ownership debt	1,563	2,253	2,977
Principal payments on non-recourse vacation ownership debt	(1,896)	(2,068)	(2,713)
Proceeds from debt	1,062	2,677	3,203
Principal payments on debt	(519)	(2,892)	(3,520)
Repayments of commercial paper, net	—	—	(147)
Proceeds from notes issued and term loan	643	346	300
Repayment of notes	(43)	(3)	(790)
Repayments of vacation ownership inventory arrangement	(16)	(12)	(12)
Dividends to shareholders	(138)	(166)	(194)
Cash transferred to Wyndham Hotels related to Spin-off	—	(69)	(476)
Proceeds from issuance of common stock	7	11	—
Repurchase of common stock	(128)	(340)	(330)
Debt issuance/modification costs	(20)	(22)	(20)
Payment of deferred acquisition consideration	(11)	—	—
Net share settlement of incentive equity awards	(2)	(4)	(60)
Other, net	—	—	(4)
Net cash provided by/(used in) financing activities - continuing operations	502	(289)	(1,786)
Net cash provided by financing activities - discontinued operations	—	—	2,066
Net cash provided/(used in) by financing activities	502	(289)	280
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	4	1	(9)
Net change in cash, cash equivalents and restricted cash	815	98	(12)
Cash, cash equivalents and restricted cash, beginning of period	502	404	416
Cash, cash equivalents and restricted cash, end of period	1,317	502	404
Less: Restricted cash	121	147	155
Less: Cash and cash equivalents and restricted cash included in assets of discontinued operations and held-for-sale business	—	—	31
Cash and cash equivalents	$ 1,196	$ 355	$ 218

See Notes to Consolidated Financial Statements.

TRAVEL + LEISURE CO.
CONSOLIDATED STATEMENTS OF EQUITY/(DEFICIT)
(In millions, except per share amounts)

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)/Income	Non-controlling Interest	Total Equity/(Deficit)
Balance as of December 31, 2017	**100**	**$ 2**	**$ (5,719)**	**$ 3,996**	**$ 2,501**	**$ (11)**	**$ 5**	**$ 774**
Beginning balance adjustment due to change in accounting principle	—	—	—	—	(9)	(8)	—	(17)
Net income	—	—	—	—	672	—	—	672
Other comprehensive loss	—	—	—	—	—	(33)	—	(33)
Issuance of shares for RSU vesting	1	—	—	—	—	—	—	—
Net share settlement of stock-based compensation	—	—	—	(60)	—	—	—	(60)
Change in stock-based compensation	—	—	—	150	—	—	—	150
Change in stock-based compensation and impact of equity restructuring for Board of Directors	—	—	—	(9)	—	—	—	(9)
Repurchase of common stock	(6)	—	(324)	—	—	—	—	(324)
Dividends ($1.89 per share) [(a)]	—	—	—	—	(191)	—	—	(191)
Distribution for separation of Wyndham Hotels and adjustments related to discontinued business	—	—	—	—	(1,531)	—	—	(1,531)
Balance as of December 31, 2018	**95**	**2**	**(6,043)**	**4,077**	**1,442**	**(52)**	**5**	**(569)**
Net income	—	—	—	—	507	—	—	507
Issuance of shares for RSU vesting	1	—	—	—	—	—	—	—
Net share settlement of stock-based compensation	—	—	—	(4)	—	—	—	(4)
Employee stock purchase program issuances	—	—	—	11	—	—	—	11
Change in stock-based compensation	—	—	—	24	—	—	—	24
Repurchase of common stock	(8)	—	(340)	—	—	—	—	(340)
Dividends ($1.80 per share)	—	—	—	—	(167)	—	—	(167)
Distribution for separation of Wyndham Hotels and adjustments related to discontinued business	—	—	—	—	3	—	—	3
Acquisition of a business	—	—	—	10	—	—	—	10
Non-controlling interest ownership change	—	—	—	—	—	—	1	1
Balance as of December 31, 2019	**88**	**2**	**(6,383)**	**4,118**	**1,785**	**(52)**	**6**	**(524)**
Net loss	—	—	—	—	(255)	—	—	(255)
Other comprehensive income	—	—	—	—	—	36	—	36
Issuance of shares for RSU vesting	1	—	—	—	—	—	—	—
Net share settlement of stock-based compensation	—	—	—	(2)	—	—	—	(2)
Employee stock purchase program issuances	—	—	—	7	—	—	—	7
Change in stock-based compensation	—	—	—	20	—	—	—	20
Repurchase of common stock	(3)	—	(125)	—	—	—	—	(125)
Dividends ($1.60 per share)	—	—	—	—	(140)	—	—	(140)
Acquisition of a business	—	—	—	14	—	—	—	14
Non-controlling interest ownership change	—	—	—	—	—	—	1	1
Balance as of December 31, 2020	**86**	**$ 2**	**$ (6,508)**	**$ 4,157**	**$ 1,390**	**$ (16)**	**$ 7**	**$ (968)**

(a) Includes dividends declared by Wyndham Worldwide Corporation during the first quarter of 2018, prior to the spin-off of Wyndham Hotels & Resorts, Inc. and subsequent dividends declared by Travel + Leisure Co. (formerly, Wyndham Destinations, Inc.).

See Notes to Consolidated Financial Statements.

TRAVEL + LEISURE CO.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts are in millions, except per share amounts)

1. Background and Basis of Presentation

Background

On January 5, 2021, Wyndham Destinations, Inc. acquired the Travel + Leisure brand and all related assets from Meredith Corporation ("Meredith"). In connection with this acquisition, Wyndham Destinations, Inc. changed its name to Travel + Leisure Co. and changed its ticker symbol to TNL on February 17, 2021.

The newly named Travel + Leisure Co. and its subsidiaries (collectively, "Travel + Leisure," or the "Company," formerly Wyndham Destinations, Inc.) is a global provider of hospitality services and travel products. The Company operates in two segments: Vacation Ownership (formerly Wyndham Vacation Clubs) and Travel and Membership (formerly Vacation Exchange or Panorama). In connection with the Travel + Leisure brand acquisition the Company elected to update its segment names to better align with how the segments will be referred to internally and externally.

The Vacation Ownership segment develops, markets, and sells vacation ownership interests ("VOIs") to individual consumers, provides consumer financing in connection with the sale of VOIs, and provides property management services at resorts. The Travel and Membership segment operates a variety of travel businesses, including three vacation exchange brands, a home exchange network, travel technology platforms, travel memberships, and direct-to-consumer rentals.

The results of operations for 2020 include impacts related to the novel coronavirus global pandemic ("COVID-19"), which have been significantly negative for the travel industry, the Company, its customers, and employees. The Company's response to COVID-19 initially focused on the health and safety of its owners, members, guests, and employees, when it closed the majority of its resorts and sales centers. As a result, the Company significantly reduced its workforce and furloughed thousands of employees. As of December 31, 2020, the Company has reopened 81% of its resorts (92% as of the date of this filing) and reopened 86% of its sales offices (92% as of the date of this filing). Throughout 2020, many of the Company's employees returned to work as locations reopened; however, the Company exited the year with approximately 5,300 employees either laid off or furloughed. The Company's reopening plans were negatively impacted in the fourth quarter of 2020 by government shutdowns in California and Hawaii, which required temporarily closing resorts previously reopened. The Company estimates that the remaining suspended operations will resume in early 2021.

Given these significant events, the Company's revenues were negatively impacted and $385 million of charges related to COVID-19 were incurred during the year ended December 31, 2020, which are discussed in further detail in Note 26—*COVID-19 Related Items.*

The Company was also keenly focused on preserving cash, cutting costs, and managing liquidity. As a precautionary measure to enhance liquidity, the Company drew down its $1.0 billion revolving credit facility at the end of the first quarter of 2020, and subsequently issued new $650 million senior secured notes, with a portion of these proceeds used to pay down borrowings under its revolving credit facility. The Company also amended the credit agreement for its revolving credit facility and term loan B, which provided flexibility during the relief period spanning from July 15, 2020 through April 1, 2022. See Note 16—*Debt* for additional details. Additionally, the Company suspended share repurchase activity since March 2020.

On April 29, 2020, the Company successfully closed on a $325 million private securitization financing. While this transaction was at a higher cost compared to transactions the Company has completed in the past, it was favorable to similar transactions completed in the public market at that time. The Company also closed on a $575 million securitization financing on August 13, 2020, at a similar cost compared to transactions it has completed in the past. These transactions positively impacted the Company's liquidity and reinforced its expectation to maintain adequate liquidity for the near future.

On August 7, 2019, the Company acquired Alliance Reservations Network ("ARN") for $102 million ($97 million net of cash acquired). ARN provides private-label travel booking technology solutions. This acquisition was undertaken for the purpose of accelerating growth at Travel and Membership by increasing the offerings available to its members and affiliates. The Company has recognized the assets and liabilities of ARN based on estimates of their acquisition date fair values, including the impacts of certain post-closing adjustments. ARN is reported within the Travel and Membership segment. See Note 5—*Acquisitions* for additional details.

During 2018, the Company completed the sale of its European vacation rentals business and completed the spin-off of its hotel business ("Spin-off") into a separate publicly traded company, Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels"). This transaction was effected through a pro rata distribution of the new hotel entity's stock to Travel + Leisure shareholders. In connection with the Spin-off, the Company entered into certain agreements with Wyndham Hotels to implement the legal and structural separation, govern the relationship between the Company and Wyndham Hotels up to and after the completion of the separation, and allocate various assets, liabilities, and obligations, including, among other things, employee benefits, intellectual property, and tax-related assets and liabilities between the Company and Wyndham Hotels. The two public companies have entered 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.

For all relevant periods presented, the Company has classified the results of operations for its hotel business and its European vacation rentals business as discontinued operations. See Note 6—*Discontinued Operations* for further details.

Also during 2018, the Company decided to explore strategic alternatives for its North American vacation rentals business and on October 22, 2019, completed the sale of this business for $162 million. The assets and liabilities of this business were classified as held-for-sale as of December 31, 2018. This business did not meet the criteria to be classified as a discontinued operation; therefore, the results of operations are reflected within continuing operations on the Consolidated Statements of (Loss)/Income through the date of sale. See Note 7—*Held-for-Sale Business* for further details.

Basis of Presentation

The accompanying Consolidated Financial Statements in this Annual Report on Form 10-K include the accounts and transactions of Travel + Leisure, as well as the entities in which Travel + Leisure 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 U.S. All intercompany balances and transactions have been eliminated in the Consolidated Financial Statements. In addition, certain prior period amounts have been reclassified to comply with newly adopted accounting standards.

The Company presents an unclassified balance sheet which conforms to that of the Company's peers and industry practice.

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.

2. Summary of Significant Accounting Policies

PRINCIPLES OF CONSOLIDATION

When evaluating an entity for consolidation, the Company first determines whether an entity is a variable interest entity ("VIE"). If the entity is deemed to be a VIE, the Company determines whether it would be the entity's primary beneficiary and consolidates those VIEs for which the Company would be the primary beneficiary. The Company will also consolidate an entity not deemed a VIE upon determination that the Company has a controlling financial interest. For entities where the Company does not have a controlling financial interest, the investments in such entities are accounted for using the equity or cost method, as appropriate.

REVENUE RECOGNITION

In 2018, the Company adopted the *Revenue from Contracts with Customers* guidance utilizing the full retrospective transition method. Refer to Note 3—*Revenue Recognition* for full details of the Company's revenue recognition policies.

CASH AND CASH EQUIVALENTS

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

RESTRICTED CASH

The largest portion of the Company's restricted cash relates to securitizations. The remaining portion is comprised of cash held in escrow accounts.

Securitizations. In accordance with the contractual requirements of the Company's various vacation ownership contract receivable ("VOCR") 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 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 trust account. As of December 31, 2020 and 2019, restricted cash for securitizations totaled $92 million and $110 million.

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. Rescission periods vary by state, but range on average from five to seven 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 vacations paid and not yet traveled through the Company's vacation exchange business. Such amounts are required to be held in escrow until the legal restriction expires, which varies from state to state. Escrow deposits were $29 million and $37 million as of December 31, 2020 and 2019.

RECEIVABLE VALUATION

Trade receivables

The Company provides for estimated bad debts based on its assessment of the ultimate ability to realize 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 (in millions):

	2020	2019	2018
Beginning balance	$ 154	$ 104	$ 78
Bad debt expense	125	100	75
Write-offs	(58)	(51)	(49)
Translation and other adjustments	—	1	—
Ending balance	$ 221	$ 154	$ 104

Vacation ownership contract receivables

In the Vacation Ownership segment, the Company provides for estimated VOCR defaults at the time of VOI sales by recording a provision for loan losses as a reduction of Vacation ownership interest sales on the Consolidated Statements of (Loss)/Income. The Company assesses the adequacy of the allowance for loan losses related to these VOIs using a technique referred to as a static pool analysis. This analysis is based upon the historical performance of similar VOCRs and incorporates more recent history of default information. Management prepares a model to track defaults for each year's sales over the entire life of the contract receivable as a means to project future expected losses. A qualitative assessment is also performed to determine whether any external economic conditions or internal portfolio characteristics indicate an adjustment is necessary to reflect expected impacts on the contract receivables portfolio. 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 VOCR. Due to the economic disruption resulting from COVID-19, the Company estimated an additional loan loss allowance related to the impacts on its owners' ability to repay their contract receivables. The Company based its COVID-19 loan loss estimate upon historical data on the relationship between unemployment rates and net new defaults observed during the most recent recession in 2008.

INVENTORY

Inventory primarily consists of completed VOIs, VOIs under construction, land held for future VOI development, vacation exchange 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 in 2020, and $1 million in both 2019 and 2018.

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 (Loss)/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, up to 30 years for vacation rental properties, and from three to seven years for furniture, fixtures, and equipment.

The Company capitalizes the costs of software developed for internal use in accordance with the guidance for accounting for costs of computer software developed or obtained for internal use. Capitalization of software costs 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 three to five years, with the exception of certain enterprise resource planning, reservation, and inventory management software, which is generally up to 10 years. Such amortization commences when the software is substantially ready for its intended use.

The net carrying value of software developed or obtained for internal use was $191 million and $193 million as of December 31, 2020 and 2019. Capitalized interest was $1 million, $2 million, and $1 million during 2020, 2019, and 2018.

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 in Operating (loss)/income and net interest expense, based upon the nature of the hedged item, on the Consolidated Statements of (Loss)/Income. Changes in fair value of derivatives designated as cash flow hedging instruments are recorded as components of other comprehensive income. Amounts included in other comprehensive income are reclassified into earnings in the same period during which the hedged item affects earnings.

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, 2020 and 2019. 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. The Company classifies interest and penalties associated with unrecognized tax benefits as a component of (Benefit from)/provision for income taxes on the Consolidated Statements of (Loss)/Income.

During 2018, the Financial Accounting Standards Board ("FASB") issued guidance on the accounting for tax on the global intangible low-taxed income provisions of the recently enacted tax law. These provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The Company has elected to treat taxes due on future inclusions in taxable income as a current-period expense when incurred.

During the fourth quarter of 2018, in accordance with the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 118 -*Income Tax Accounting Implications of the Tax Cuts and Jobs Act*, the Company completed its accounting for the tax effects of the U.S. tax reform recorded for 2017.

LOYALTY PROGRAMS

The Company earns revenue from its RCI Elite Rewards co–branded credit card program, which is primarily generated by cardholder spending and the enrollment of new cardholders. The advance payments received under the program are recognized as a contract liability until the Company's performance obligations have been satisfied. The primary performance obligation for the program relates to brand performance services. Total contract consideration is estimated and recognized on a straight-line basis over the contract term.

Revenues relating to the RCI Elite Rewards program, which are recorded in Other revenues on the Consolidated Statements of (Loss)/Income, were $13 million, $15 million, and $12 million during 2020, 2019, and 2018. Expenses related to this program, which are recorded within Operating expenses on the Consolidated Statements of (Loss)/Income, were $7 million, $9 million, and $5 million during 2020, 2019, and 2018. The liabilities associated with the program as of December 31, 2020 and 2019, were $15 million and $18 million, and are included within Deferred income on the Consolidated Balance Sheets.

As a result of the Spin-off, the Company has entered into long-term exclusive license agreements to retain its affiliations with one of the industry's top-rated loyalty programs, Wyndham Rewards. Wyndham Rewards members accumulate points by staying in hotels franchised under one of the Wyndham Hotels brands, and 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, annual membership dues, and exchange fees for transactions.

ADVERTISING EXPENSE

Advertising costs are expensed in the period incurred and are recorded within Marketing expense on the Consolidated Statements of (Loss)/Income. Advertising costs were $26 million, $37 million, and $27 million in 2020, 2019, and 2018.

STOCK-BASED COMPENSATION

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

LONG-LIVED ASSETS

Assets such as customer lists, management agreements, and trademarks acquired by the Company are classified as intangible assets and recorded at their fair value as of the date of the acquisition and categorized as having either a finite life or an indefinite life. Assets deemed to have a finite life are assigned an appropriate useful life and amortized on a straight-line basis.

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. This is done either by performing a qualitative assessment or a quantitative assessment, with an impairment being recognized only if a reporting unit's fair value is less than carrying value. In any given year the Company 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 the Company elects to bypass the qualitative assessment, it would utilize the quantitative assessment. The qualitative factors evaluated include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, the Company's historical share price as well as other industry-specific considerations.

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 Asset impairments. The Company has goodwill recorded at its Vacation Ownership and Travel and Membership reporting units. The Company performed a qualitative analysis for each of its reporting units for each quarter of 2020, including its annual fourth quarter analysis as of October 1, 2020. Additionally, the Company performed quantitative assessments of the goodwill acquired as part of the ARN acquisition during the third and fourth quarters of 2020 which resulted in the fair value exceeding the carrying value. For the quantitative assessment performed in the fourth quarter as part of the Company's annual impairment analysis on October 1, 2020, it was determined that the fair value exceeded the carrying amount by approximately 20%. Based on the results of these qualitative and quantitative assessments the Company determined that ARN's goodwill is not impaired and that it is more likely than not that goodwill is not impaired at the Company's other reporting units.

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.

In addition to the goodwill assessment mentioned above, as a result of the impacts of COVID-19 the Company performed an impairment analysis on select long-lived assets during 2020. As a result of this analysis, the Company recorded $56 million of COVID-19 related impairment charges during 2020 with $51 million included in Asset impairments and $5 million included in Operating expenses on the Consolidated Statements of (Loss)/Income. See Note 26—*COVID-19 Related Items* for additional details.

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 accrued as of December 31, 2020, represents its best estimate of the obligations incurred in connection with these actions, but could change due to various factors including market conditions, the outcome of negotiations with third parties, or the continuing effects of the COVID-19 pandemic.

OTHER INCOME

During 2020, the Company recorded $14 million of other income primarily related to (i) settlements of various business interruption claims at its Vacation Ownership segment and (ii) value added tax provision releases at its Travel and Membership segment. During 2019, the Company recorded $23 million of other income primarily related to (i) settlements of various business interruption claims, (ii) value added tax provision releases at its Travel and Membership segment, and (iii) profit sharing at its Travel and Membership segment. During 2018, the Company recorded $38 million of income related to (i) value added tax refunds at its Travel and Membership segment, (ii) settlements of various business interruption claims, and (iii) co-branded revenue at its Vacation Ownership segment.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Simplifying the Accounting for Income Taxes. In December 2019, the FASB issued guidance to simplify the accounting for income taxes. The guidance amends the accounting for hybrid tax regimes where a tax jurisdiction imposes the greater of tax based on income versus tax based on another measurement basis, addresses the recognition of tax basis in goodwill not generated through a business combination, eliminates certain exceptions to the approach for intraperiod tax allocation when a loss from continuing operations exists, calculating interim period taxes related to enacted changes in tax law, requirements in the recognition of deferred tax liabilities for outside basis differences and exceptions to the ability not to recognize deferred tax liability for a foreign subsidiary when a foreign equity method investment becomes a subsidiary. The issued guidance also clarifies the financial statement presentation for tax benefits related to tax deductible dividends. This guidance is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The adoption of this guidance is not expected to have a material impact on the Company's Consolidated Financial Statements.

Reference Rate Reform. In March 2020, the FASB issued guidance which provides optional expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedging relationships, subject to meeting certain criteria that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued. This guidance was effective as of March 12, 2020, and will apply through December 31, 2022. The transition from LIBOR based benchmark rates is expected to begin January 1, 2022 and be completed when U.S. Dollar ("USD") LIBOR rates are phased out by June 30, 2023. The Company is currently evaluating the impact of the transition from LIBOR on its financial statements and related disclosures and the related impact of this guidance on the transition. On October 27, 2020, the Company closed on the renewal of its USD bank conduit facility (see Note 16—*Debt* for additional details) and adopted appropriate LIBOR disclosures for asset-backed securities ("ABS") financing structures as part of the renewal. The Company intends to adopt such language, as appropriate, in its other relevant agreements prior to the end of 2021.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

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. The guidance requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This guidance was effective for the Company on January 1, 2020, including interim periods within the fiscal year. The adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements as the Company's prior approach in estimating the allowance for loan losses generally aligned with the expected credit loss model required upon adoption of this guidance. The Company has included additional disclosures in accordance with the adoption of this guidance, which are included in Note 10—*Vacation Ownership Contract Receivables.* As part of the adoption of this accounting pronouncement, the Company made an accounting policy election to present accrued interest receivable within Trade receivables, net separate from its Vacation ownership contract receivables, net on the Consolidated Balance Sheets and elected not to estimate an allowance for credit losses on the accrued interest receivable balance. Once a contract is 91 days past due, the Company ceases accruing interest and reverses all accrued interest recognized to date against interest income included within Consumer financing revenue on the Consolidated Statements of (Loss)/Income. The Company resumes accruing interest for contracts which it had previously ceased accruing interest once the contract is less than 91 days past due.

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 two of the test. The guidance requires a one-step impairment test in which an entity compares the fair value of a reporting unit with its carrying amount and recognizes an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, if any. This guidance was effective for the Company on January 1, 2020, including interim periods within the fiscal year, and was applied on a prospective basis. The adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements.

3. Revenue Recognition

Vacation Ownership

The Company 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. The Company's sales of VOIs are either cash sales or developer-financed sales. Developer financed sales are typically collateralized by the underlying VOI. Revenue is recognized on VOI sales upon transfer of control, which is defined as the point in time when a binding sales contract has been executed, the financing contract has been executed for the remaining transaction price, the statutory rescission period has expired, and the transaction price has been deemed to be collectible.

For developer-financed sales, the Company reduces the VOI sales transaction price by an estimate of uncollectible consideration at the time of the sale. The Company's estimates of uncollectible amounts are based largely on the results of the Company's static pool analysis which relies on historical payment data by customer class.

In connection with entering into a VOI sale, the Company may provide its customers with certain non-cash incentives, such as credits for future stays at its resorts. For those VOI sales, the Company bifurcates the sale and allocates the sales price between the VOI sale and the non-cash incentive. Non-cash incentives generally have expiration periods of 18 months or less and are recognized at a point in time upon transfer of control.

The Company provides day-to-day property management services including oversight of housekeeping services, maintenance, and certain accounting and administrative services for property owners' associations and clubs. These services may also include reservation and resort renovation activities. Such agreements are generally for terms of one year or less, and are renewed automatically on an annual basis. The Company's management agreements contain cancellation clauses, which allow for either party to cancel the agreement, by either a majority board vote or a majority vote of non-developer interests. The Company receives fees for such property management services which are collected monthly in advance and are based upon total costs to operate such resorts (or as services are provided in the case of resort renovation activities). Fees for property management services typically approximate 10% of budgeted operating expenses. The Company is entitled to consideration for reimbursement of costs incurred on behalf of the property owners' association in providing management services ("reimbursable revenue"). 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 (Loss)/Income. The Company reduces its management fees for amounts it has paid to the property owners' association that reflect maintenance fees for VOIs for which it retains ownership, as the Company has concluded that such payments are consideration payable to a customer.

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 (Loss)/Income. Property management revenues, which are comprised of management fee revenue and reimbursable revenue, for the years ended December 31, were (in millions):

	2020	2019	2018
Management fee revenue	$ 343	$ 394	$ 314
Reimbursable revenues	252	308	351
Property management revenues	$ 595	$ 702	$ 665

One of the associations that the Company manages paid its Travel and Membership segment $27 million for exchange services during 2020, and $29 million during both 2019 and 2018.

Travel and Membership

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 vacation exchange network and, for some members, for other leisure-related services and products.

Travel and Membership derives a majority of revenues from membership dues and fees for facilitating members' trading of their intervals. Revenues from membership dues represent the fees paid by members or affiliated clubs on their behalf. The Company recognizes revenues from membership dues paid by the member on a straight-line basis over the membership period as the performance obligations are fulfilled through delivery of publications, if applicable, and by providing access to travel-related products and services. Estimated net contract consideration payable by affiliated clubs for memberships is recognized as revenue over the term of the contract with the affiliated club in proportion to the estimated average monthly member count. Such estimates are adjusted periodically for changes in the actual and forecasted member activity. For

additional fees, members have the right to exchange their intervals for intervals at other properties affiliated with the Company's vacation exchange networks and, for certain members, for other leisure-related services and products. The Company also derives revenue from facilitating bookings of travel accommodations for both members and non-members. Revenue is recognized when these transactions have been confirmed, net of expected cancellations.

The Company's vacation exchange business also derives revenues from programs with affiliated resorts, club servicing, and loyalty programs; and additional exchange-related products that provide members with 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. Other vacation exchange related product fees are deferred and recognized as revenue upon the occurrence of a future exchange, event, or other related transaction.

The Company also derives revenue from other travel products and services, enabled as a result of the 2019 acquisition of ARN and via the Company's resort services solution business, optimizing business to business ("B2B") capabilities, and integration for consumer travel planning. The Company's relationships and buying power with major travel suppliers provide its partners with access to some of the most compelling travel inventory in the industry. The Company's affiliates and members enjoy inventory from accommodation wholesalers, airfare, and rental car providers.

The Company earns revenue from its RCI Elite Rewards co–branded credit card program, which is primarily generated by cardholder spending and the enrollment of new cardholders. The advance payments received under the program are recognized as a contract liability until the Company's performance obligations have been satisfied. The primary performance obligation for the program relates to brand performance services. Total contract consideration is estimated and recognized on a straight-line basis over the contract term.

Prior to the sale of the vacation rental businesses, the Company's vacation rental brands derived revenue from fees associated with the rental of vacation properties managed and marketed by the Company on behalf of independent owners. The Company remitted the rental fee received from the renter to the independent owner, net of the Company's agreed-upon fee. The related revenue from such fees, net of expected refunds, was recognized over the renter's stay. The Company's vacation rental brands also derived revenues from additional services delivered to independent owners, vacation rental guests, and property owners' associations which were generally recognized when the service was delivered.

Other Items

The Company records property management services revenues and RCI Elite Rewards revenues for its Vacation Ownership and Travel and Membership segments gross as a principal.

Contract Liabilities

Contract liabilities generally represent payments or consideration received in advance for goods or services that the Company has not yet transferred to the customer. Contract liabilities as of December 31, were as follows (in millions):

	2020	2019
Deferred subscription revenue	$ 176	$ 206
Deferred VOI trial package revenue	115	145
Deferred VOI incentive revenue	74	107
Deferred exchange-related revenue [(a)]	59	58
Deferred co-branded credit card programs revenue	16	19
Deferred other revenue	8	4
Total	$ 448	$ 539

[(a)] Includes contractual liabilities to accommodate members for cancellations initiated by the Company due to unexpected events. These amounts are included within Accrued expenses and other liabilities on the Consolidated Balance Sheets.

In the Company's vacation ownership business, deferred VOI trial package revenue represents consideration received in advance for a trial VOI, which allows customers to utilize a vacation package typically within one year of purchase. Deferred VOI incentive revenue represents 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 within one year of the VOI sale.

Within the Company's vacation exchange business, deferred subscription revenue represents billings and payments received in advance from members and affiliated clubs for memberships in the Company's vacation exchange programs which are recognized in future periods. Deferred exchange-related revenue primarily represents payments received in advance from members for the right to exchange their intervals for intervals at other properties affiliated with the Company's vacation exchange networks and for other leisure-related services and products which are generally recognized as revenue within one year.

Changes in contract liabilities for the years ended December 31, follow (in millions):

	2020	2019	2018
Beginning balance	$ 539	$ 519	$ 556
Additions	223	387	352
Revenue recognized	(314)	(367)	(341)
Held-for-sale	—	—	(38)
Other	—	—	(10)
Ending balance	$ 448	$ 539	$ 519

Capitalized Contract Costs

The Company's Vacation Ownership segment incurs certain direct and incremental selling costs in connection with VOI trial package and incentive revenues. Such costs are capitalized and subsequently amortized over the utilization period, which is typically within one year of the sale. As of December 31, 2020 and 2019, these capitalized costs were $41 million and $53 million; and are included within Other assets on the Consolidated Balance Sheets.

The Company's Travel and Membership segment incurs certain direct and incremental selling costs to obtain contracts with customers in connection with subscription revenues and exchange–related revenues. Such costs, which are primarily comprised of commissions paid to internal and external parties and credit card processing fees, are deferred at the inception of the contract and recognized when the benefit is transferred to the customer. As of December 31, 2020 and 2019, these capitalized costs were $16 million and $20 million; and are included within Other assets on the Consolidated Balance Sheets.

Practical Expedients

The Company has not adjusted the consideration for the effects of a significant financing component if it expected, at contract inception, that the period between when the Company satisfied the performance obligation and when the customer paid for that good or service was one year or less.

Performance Obligations

A performance obligation is a promise in a contract with a customer to transfer a distinct good or service to the customer. The consideration received from a customer is allocated to each distinct performance obligation and recognized as revenue when, or as, each performance obligation is satisfied.

The following table summarizes the Company's remaining performance obligations for the 12-month periods set forth below (in millions):

	2021	2022	2023	Thereafter	Total
Subscription revenue	$ 105	$ 37	$ 17	$ 17	$ 176
VOI trial package revenue	115	—	—	—	115
VOI incentive revenue	74	—	—	—	74
Exchange-related revenue	55	3	1	—	59
Co-branded credit card programs revenue	4	3	3	6	16
Other revenue	8	—	—	—	8
Total	$ 361	$ 43	$ 21	$ 23	$ 448

Disaggregation of Net Revenues

The table below presents a disaggregation of the Company's net revenues from contracts with customers by major services and products for each of the Company's segments (in millions):

	Year Ended December 31,		
	2020	**2019**	**2018**
Vacation Ownership			
Property management fees and reimbursable revenues	$ 595	$ 702	$ 665
Vacation ownership interest sales [(a)]	505	1,848	1,769
Consumer financing	467	515	491
Fee-for-Service commissions	22	18	31
Ancillary revenues	48	68	60
Total Vacation Ownership	1,637	3,151	3,016
Travel and Membership			
Exchange revenues	474	647	658
Vacation rental revenues [(b)]	—	153	170
Ancillary revenues	54	98	90
Total Travel and Membership	528	898	918
Corporate and other			
Ancillary revenues	—	1	—
Eliminations	(5)	(7)	(3)
Total Corporate and other	(5)	(6)	(3)
Net revenues	$ 2,160	$ 4,043	$ 3,931

(a) The Company increased its loan loss allowance by $ 205 million during 2020, due to an expected increase in defaults driven by higher unemployment associated with COVID-19, which is reflected as a reduction to Vacation ownership interest sales on the Consolidated Statements of (Loss)/Income.

(b) The Company completed the sale of the North American vacation rentals business on October 22, 2019.

4. Earnings/(Loss) Per Share

The computations of basic and diluted earnings/(loss) per share ("EPS") are based on Net (loss)/income attributable to Travel + Leisure shareholders divided by the basic weighted average number of common shares and diluted weighted average number of common shares outstanding. The following table sets forth the computations of basic and diluted EPS (in millions, except per share data):

	Year Ended December 31,		
	2020	**2019**	**2018**
Net (loss)/income from continuing operations attributable to Travel + Leisure shareholders	$ (253)	$ 489	$ 266
Loss from operations of discontinued businesses attributable to Travel + Leisure shareholders, net of income taxes	—	—	(50)
(Loss)/gain on disposal of discontinued business attributable to Travel + Leisure shareholders, net of income taxes	(2)	18	456
Net (loss)/income attributable to Travel + Leisure shareholders	$ (255)	$ 507	$ 672
Basic earnings/(loss) per share			
Continuing operations	$ (2.95)	$ 5.31	$ 2.69
Discontinued operations	(0.02)	0.19	4.11
	$ (2.97)	$ 5.50	$ 6.80
Diluted earnings/(loss) per share			
Continuing operations	$ (2.95)	$ 5.29	$ 2.68
Discontinued operations	(0.02)	0.19	4.09
	$ (2.97)	$ 5.48	$ 6.77
Basic weighted average shares outstanding	86.1	92.1	98.9
Stock-settled appreciation rights ("SSARs"), RSUs [(a)] and PSUs [(b)]	—	0.3	0.3
Diluted weighted average shares outstanding [(c)(d)]	86.1	92.4	99.2
Dividends:			
Cash dividends per share [(e)]	$ 1.60	$ 1.80	$ 1.89
Aggregate dividends paid to shareholders	$ 138	$ 166	$ 194

(a) Excludes 1.1 million, 0.4 million, and 0.5 million of restricted stock units ("RSUs") that would have been anti-dilutive to EPS for the years 2020, 2019, and 2018, of which 0.2 million would have been dilutive during 2020 had the Company not been in a net loss position. These shares could potentially dilute EPS in the future.

(b) Excludes performance-vested restricted stock units ("PSUs") of 0.3 million and 0.2 million for the years 2020 and 2019, as the Company had not met the required performance metrics. As a result of the Spin-off during the second quarter of 2018, the Company accelerated the vesting of outstanding PSUs and there were no outstanding PSUs as of December 31, 2018.

(c) Excludes 2.1 million, 1.2 million, and 0.5 million of outstanding stock option awards that would have been anti-dilutive to EPS for the years 2020, 2019, and 2018. These outstanding stock option awards could potentially dilute EPS in the future.

(d) The dilutive impact of the Company's potential common stock is computed utilizing the treasury stock method using average market prices during the period.

(e) For each of the quarterly periods ended March 31, and June 30, 2020, the Company paid cash dividends of $ 0.50 per share and in the quarterly periods ended September 30, and December 31, 2020, the Company paid cash dividends of $0.30 per share. For each of the quarterly periods in 2019, the Company paid cash dividends of $ 0.45 per share. For the quarterly period ended March 31, 2018, Wyndham Worldwide Corporation paid cash dividends of $0.66 prior to the Spin-off. In each of the following periods ended June 30, September 30, and December 31, 2018, the Company paid cash dividends of $0.41.

Share Repurchase Program

As of December 31, 2020, the total authorization under the Company's current share repurchase program was $6.0 billion, of which $351 million remains available. Proceeds received from stock option exercises have increased the repurchase capacity by $78 million since the inception of this program. In March 2020, the Company suspended its share repurchase activity due to the uncertainty resulting from COVID-19. On July 15, 2020, the Company amended the credit agreement for its revolving credit facility and term loan B. Among other changes, the amendment places the Company into a relief

period from July 15, 2020 through April 1, 2022 (“Relief Period”) that prohibits the use of cash for share repurchases until such time as the Company chooses to exercise its option to exit the amendment.

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

	Shares	Cost
As of December 31, 2019	108.2	$ 5,602
Repurchases	3.1	125
As of December 31, 2020	111.3	$ 5,727

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 (Loss)/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 (Loss)/Income as expenses.

2019 ACQUISITIONS

Alliance Reservations Network. On August 7, 2019, the Company acquired all of the equity of ARN. ARN provides private-label travel booking technology solutions. This acquisition was undertaken for the purpose of accelerating growth at Travel and Membership by increasing the offerings available to its members and affiliates. ARN was acquired for $102 million ($97 million net of cash acquired). The fair value of purchase consideration was comprised of: (i) $48 million delivered at closing; (ii) Travel + Leisure stock valued at $10 million (253,350 shares at $39.29 per share) delivered at closing; (iii) $21 million to be paid over 24 months post-closing ($11 million of which was paid on August 7, 2020); (iv) $10 million of contingent consideration based on achieving certain financial and operational metrics; and (v) additional shares of Travel + Leisure stock valued at $14 million (468,100 shares at $28.84 per share) delivered on August 7, 2020.

The Company recognized the assets and liabilities of ARN based on estimates of their acquisition date fair values. The determination of the fair values of the acquired assets and assumed liabilities, including goodwill and other intangible assets, requires significant judgment. The purchase price allocation, including the impacts of certain post-closing adjustments, consists of: (i) $27 million of developed software with a weighted average life of 10 years included within Property and equipment, net; (ii) $38 million of Goodwill; (iii) $35 million of definite-lived intangible assets with a weighted average life of 12 years primarily consisting of customer relationships; and (iv) $4 million of Accounts payable. All of the goodwill and other intangible assets are deductible for income tax purposes. ARN is reported within the Travel and Membership segment.

The Company completed purchase accounting for this transaction during the third quarter of 2020. The details above reflect the following final purchase accounting adjustments: $7 million increase in developed software and $7 million decrease in Goodwill.

Given the impact of COVID-19 on the industry, the Company performed assessments of the goodwill acquired as part of the ARN acquisition at each interim period in 2020, including the annual assessment on October 1, 2020, and concluded at each assessment that the goodwill of ARN was not impaired. For the assessment performed on October 1, 2020, it was determined that the fair value exceeded the carrying amount by approximately 20%.

Although the Company has determined that the goodwill of ARN is not impaired at this time, to the extent estimated discounted cash flows are revised downward, whether as a result of continued and worsening COVID-19 impacts or if management’s current negotiations to expand ARN programs both internally and externally do not materialize as expected, the Company may be required to write-down all or a portion of this goodwill, which would negatively impact earnings.

As a result of the impacts of COVID-19, the Company also performed impairment analysis of ARN's property and equipment and other intangible assets during each quarter of 2020, including the fourth quarter as part of its annual impairment analysis on October 1, 2020, and determined in all periods that it is more likely than not that these assets were not impaired.

Other. During the third quarter of 2019, the Company completed a business acquisition at its Vacation Ownership segment for $13 million ($10 million net of cash acquired). The acquisition resulted in the recognition of (i) $4 million of Inventory, (ii) $7 million of definite-lived intangible assets, and (iii) $1 million of Accrued expenses and other liabilities.

2018 ACQUISITIONS

La Quinta Holdings Inc. ("La Quinta"). In January 2018, the Company entered into an agreement with La Quinta to acquire its hotel franchising and management businesses for $1.95 billion. This acquisition closed on May 30, 2018, prior to the hotel business Spin-off on May 31, 2018. Upon completion of the Spin-off, La Quinta became a wholly-owned subsidiary of Wyndham Hotels.

Other. During 2018, the Company completed one other acquisition at its Travel and Membership segment for $5 million in cash, net of cash acquired. The purchase price allocations resulted in the recognition of (i) $1 million of Goodwill, none of which is expected to be deductible for tax purposes, (ii) $4 million of definite-lived intangible assets with a weighted average life of 21 years, (iii) less than $1 million in Other assets, and (iv) less than $1 million of liabilities.

6. Discontinued Operations

During 2018, the Company completed the Spin-off of its hotel business and the sale of its European vacation rentals business. As a result, the Company has classified the results of operations for these businesses as discontinued operations in its Consolidated Financial Statements and related notes. Discontinued operations include direct expenses clearly identifiable to the businesses being discontinued. The sale of the European vacation rentals business resulted in final net proceeds of $1.06 billion and a 2018 after-tax gain of $456 million, net of $139 million in taxes.

During 2020, the Company recognized a $2 million loss on disposal resulting from a tax audit related to the European vacation rentals business. During 2019, the Company recognized an additional $18 million gain on disposal of discontinued operations. This gain was related to $12 million of tax benefits associated with additional foreign tax credit utilization and lower than anticipated state income taxes, as well as $6 million in returned escrow for an expired guarantee and other changes in expired guarantees related to the sale of the European vacation rentals business. The Company does not expect to incur significant ongoing expenses classified as discontinued operations except for certain tax adjustments that may be required as final tax returns are completed. Discontinued operations exclude the allocation of corporate overhead and interest.

Prior to their classification as discontinued operations, the hotel business comprised the Hotel Group segment and the European vacation rentals business was part of the Travel and Membership segment.

The following table presents information regarding certain components of income from discontinued operations, net of income taxes for the years ended (in millions):

	Year Ended December 31,		
	2020	2019	2018
Net revenues	$ —	$ —	$ 720
Expenses:			
Operating	—	—	343
Marketing	—	—	200
General and administrative	—	—	71
Separation and related costs	—	—	111
Depreciation and amortization	—	—	52
Total expenses	—	—	777
Benefit for income taxes	—	—	(7)
Loss from operations of discontinued businesses, net of income taxes	—	—	(50)
(Loss)/gain on disposal of discontinued business, net of income taxes	(2)	18	456
Net (loss)/income from discontinued operations, net of income taxes	$ (2)	$ 18	$ 406

The following table presents information regarding certain components of cash flows from discontinued operations for the years ended (in millions):

	Year Ended December 31,		
	2020	2019	2018
Cash flows (used in)/provided by operating activities	$ —	$ (1)	$ 150
Cash flows used in investing activities	(5)	(22)	(626)
Cash flows provided by financing activities	—	—	2,066
Non-cash items:			
Forgiveness of intercompany debt from Wyndham Hotels	—	—	197
Depreciation and amortization	—	—	52
Stock-based compensation	—	—	22
Deferred income taxes	—	—	(23)
Property and equipment additions	—	—	(38)
Net assets of business acquired, net of cash acquired	—	—	(1,696)
Proceeds from sale of businesses and asset sales	—	—	1,099

7. Held-for-Sale Business

During 2018, the Company decided to explore strategic alternatives for its North American vacation rentals business and on October 22, 2019, the Company closed on the sale of this business for $162 million. After customary closing adjustments, the Company received $156 million in cash and $10 million in Vacasa LLC (“Vacasa”) equity, resulting in a gain of $68 million which is included in Gain on sale of business on the Consolidated Statements of (Loss)/Income.

The assets and liabilities of this business were classified as held-for-sale as of December 31, 2018. This business did not meet the criteria to be classified as a discontinued operation; therefore, the results of operations are reflected within continuing operations on the Consolidated Statements of (Loss)/Income through the date of sale. Prior to sale, this business was reported within the Travel and Membership segment.

8. Intangible Assets

Intangible assets consisted of (in millions):

	As of December 31, 2020			As of December 31, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Unamortized Intangible Assets:						
Goodwill	$ 964			$ 970		
Trademarks [a]	$ 47			$ 51		
Amortized Intangible Assets:						
Customer lists [b]	$ 75	$ 25	$ 50	$ 74	$ 19	$ 55
Management agreements [c]	53	31	22	52	27	25
Trademarks [d]	8	5	3	8	4	4
Other [e]	9	—	9	9	1	8
	$ 145	$ 61	$ 84	$ 143	$ 51	$ 92

(a) Comprised of trademarks that the Company has acquired that are expected to generate future cash flows for an indefinite period of time.
(b) Amortized between 4 to 15 years with a weighted average life of 13 years.
(c) Amortized between 10 to 25 years with a weighted average life of 17 years.
(d) Amortized between 7 to 8 years with a weighted average life of 7 years.
(e) Includes business contracts, which are amortized between 10 to 69 years with a weighted average life to 57 years.

Goodwill

The Company performed a qualitative analysis for each of its reporting units for each quarter of 2020, including its annual fourth quarter analysis as of October 1, 2020. Additionally, the Company performed quantitative assessments of the goodwill acquired as part of the ARN acquisition during the third and fourth quarters of 2020 which resulted in the fair value exceeding the carrying value. For the quantitative assessment performed in the fourth quarter as part of the Company's annual impairment analysis on October 1, 2020, it was determined that the fair value of the ARN goodwill exceeded the carrying amount by approximately 20%. Based on the results of these qualitative and quantitative assessments, the Company determined that ARN's goodwill is not impaired and that it is more likely than not that goodwill is not impaired at the Company's other reporting units. During the fourth quarters of 2019 and 2018, the Company performed its annual goodwill impairment test and determined 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 (in millions):

	Balance as of December 31, 2019	Adjustments to Goodwill During 2020	Foreign Exchange	Balance as of December 31, 2020
Vacation Ownership	$ 27	$ —	$ —	$ 27
Travel and Membership	943	(7) [a]	1	937
Total Company	$ 970	$ (7)	$ 1	$ 964

(a) Represents purchase price adjustments related to the acquisition of ARN.

Unamortized Trademarks

The changes in the carrying amount of unamortized trademarks are as follows (in millions):

	Balance as of December 31, 2019	Adjustments to unamortized trademarks during 2020		Balance as of December 31, 2020
Travel and Membership	$ 51	$ (4)	(a)	$ 47
Total Company	$ 51	$ (4)		$ 47

(a) Represents impairment of Love Home Swap trade name. See Note 27 — *Impairments and Other Charges* for additional details.

Amortizable Intangible Assets

Amortization expense relating to amortizable intangible assets is included as a component of Depreciation and amortization on the Consolidated Statements of (Loss)/Income, and was as follows (in millions):

	2020	2019	2018
Customer lists	$ 6	$ 6	$ 1
Management agreements	3	3	8
Other	1	—	3
Total	$ 10	$ 9	$ 12

Based on the Company's amortizable intangible assets as of December 31, 2020, the Company expects related amortization expense for the next five years as follows (in millions):

	Amount
2021	$ 10
2022	10
2023	10
2024	9
2025	8

9. Income Taxes

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was established to provide emergency assistance and health care for individuals, families, and businesses affected by COVID-19 and generally support the U.S. economy. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, and technical corrections to tax depreciation methods for qualified improvement property. The Company recorded $26 million of employee retention tax credits for the year ended December 31, 2020, including credits from similar programs outside the U.S. This provision of the CARES Act has no additional requirements or restrictions. The Company has deferred social security payments and additional depreciation deductions relating to qualified improvement property. While the Company continues to review and consider any additional available benefits under the CARES Act or similar legislation that has been or in the future may be enacted in response to the COVID-19 pandemic for which it qualifies, the Company cannot predict the manner in which such benefits will be allocated or administered and cannot assure that it will be able to receive such benefits in a timely manner or at all.

On December 22, 2017, the U.S. enacted the Tax Cuts and Jobs Act, which is also commonly referred to as ''U.S. tax reform,'' and significantly changed U.S. corporate income tax laws by reducing the U.S. corporate income tax rate from 35.0% to 21.0% starting in 2018, and imposing a one-time mandatory deemed repatriation tax on undistributed historic earnings of foreign subsidiaries. Other provisions of the law 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 imposing a minimum tax on earnings generated by foreign subsidiaries.

The Company made a reasonable estimate for the impact of U.S. tax reform on December 31, 2017, and finalized the accounting for the tax effects of U.S. tax reform in 2018. The following table presents the impact of the accounting for the enactment of U.S. tax reform on the Company's benefit/provision for income taxes for the year ended December 31, 2018 (in millions). There were no such amounts for the years ended December 31, 2020 and 2019.

	2018
Remeasurement of net deferred income tax and uncertain tax liabilities	$ (24)
One-time mandatory repatriation tax on undistributed historic earnings of foreign subsidiaries	8
Valuation allowance established for the impact of the law on certain tax attributes	(13)
Net (benefit) for income taxes impact	$ (29)

Although the one-time mandatory deemed repatriation tax during 2017 and the territorial tax system created as a result of U.S. tax reform generally eliminate U.S. federal income taxes on dividends from foreign subsidiaries, the Company asserts that substantially all of the undistributed foreign earnings of $805 million will be reinvested indefinitely as of December 31, 2020. In the event the Company determines not to continue to assert that all or part of its undistributed foreign earnings are permanently reinvested, such a determination in the future could result in the accrual and payment of additional foreign withholding taxes, as well as U.S. taxes on currency transaction gains and losses, the determination of which is not practicable.

The income tax provision consisted of the following for the years ended December 31 (in millions):

	2020	2019	2018
Current			
Federal	$ 42	$ 74	$ (24)
State	12	9	(6)
Foreign	11	29	38
	65	112	8
Deferred			
Federal	(82)	57	77
State	(3)	17	44
Foreign	(3)	5	1
	(88)	79	122
(Benefit)/provision for income taxes	$ (23)	$ 191	$ 130

Pre-tax (loss)/income for domestic and foreign operations consisted of the following for the years ended December 31 (in millions):

	2020	2019	2018
Domestic	$ (326)	$ 452	$ 258
Foreign	50	228	138
(Loss)/income before income taxes	$ (276)	$ 680	$ 396

Deferred income tax assets and liabilities, as of December 31, were comprised of the following (in millions):

	2020	2019
Deferred income tax assets:		
Net operating loss carryforward	$ 37	$ 33
Foreign tax credit carryforward	75	78
Tax basis differences in assets of foreign subsidiaries	12	12
Accrued liabilities and deferred income	80	49
Provision for doubtful accounts and loan loss reserves for vacation ownership contract receivables	227	229
Other comprehensive income	69	64
Other	92	82
Valuation allowance [(a)]	(153)	(133)
Deferred income tax assets	439	414
Deferred income tax liabilities:		
Depreciation and amortization	228	189
Installment sales of vacation ownership interests	780	876
Estimated VOI recoveries	60	68
Other comprehensive income	49	47
Other	20	23
Deferred income tax liabilities	1,137	1,203
Net deferred income tax liabilities	$ 698	$ 789
Reported in:		
Other assets	$ 27	$ 26
Deferred income taxes	725	815
Net deferred income tax liabilities	$ 698	$ 789

(a) The valuation allowance of $ 153 million at December 31, 2020, relates to foreign tax credits, net operating loss carryforwards, and certain deferred tax assets of $ 50 million, $22 million, and $81 million. The valuation allowance of $133 million at December 31, 2019, relates to foreign tax credits, net operating loss carryforwards, and certain deferred tax assets of $ 35 million, $21 million, and $77 million. 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, 2020, 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 2040. As of December 31, 2020, the Company had $75 million of foreign tax credits. These foreign tax credits expire between 2021 and 2030.

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

	2020	2019	2018
Federal statutory rate	21.0%	21.0%	21.0%
State and local income taxes, net of federal tax benefits	(0.9)	6.8	1.7
Taxes on foreign operations at rates different than U.S. federal statutory rates	(0.9)	1.4	2.1
Taxes on foreign income, net of tax credits	0.2	0.4	2.7
Valuation allowance	(7.1)	(2.4)	10.8
Non-deductible expenses	(1.6)	—	—
Impact of U.S. tax reform	—	—	(5.5)
Other	(2.4)	0.9	—
	8.3%	28.1%	32.8%

The effective income tax rate for 2020 differed from the statutory U.S. Federal income tax rate of 21.0% primarily due to net increases in valuation allowances on the Company's deferred tax assets. The effective income tax rate for 2019 differed from the statutory U.S. Federal income tax rate of 21.0% primarily due to the effect of state income taxes, which were mainly related to additional taxes resulting from 2019 state legislative changes retroactively applicable to 2018 tax filings.

The following table summarizes the activity related to the Company's unrecognized tax benefits (in millions):

	2020	2019	2018
Beginning balance	$ 29	$ 28	$ 28
Increases related to tax positions taken during a prior period	—	1	1
Increases related to tax positions taken during the current period	2	4	4
Decreases related to settlements with taxing authorities	—	(1)	—
Decreases as a result of a lapse of the applicable statute of limitations	(3)	(2)	(2)
Decreases related to tax positions taken during a prior period	(2)	(1)	(3)
Ending balance	$ 26	$ 29	$ 28

The gross amount of the unrecognized tax benefits that, if recognized, would affect the Company's effective tax rate was $26 million, $29 million, and $28 million as of December 31, 2020, 2019, and 2018. The Company accrued potential penalties and interest as a component of (Benefit from)/provision for income taxes on the Consolidated Statements of (Loss)/Income related to these unrecognized tax benefits of $1 million, $2 million, and $1 million during 2020, 2019, and 2018. The Company had a liability for potential penalties of $4 million as of December 31, 2020, 2019, and 2018, and potential interest of $10 million, $9 million, and $7 million as of December 31, 2020, 2019, and 2018. Such liabilities are reported as a component of Accrued expenses and other 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. federal and state, and foreign income tax returns in jurisdictions with varying statutes of limitations. The Company is currently under a U.S. federal exam for the 2016 tax year and generally remains subject to examination by U.S. federal tax authorities for tax years 2017 through 2020. The 2011 through 2020 tax years generally remain subject to examination by many U.S. state tax authorities. In significant foreign jurisdictions, the 2013 through 2020 tax years generally remain subject to examination by their respective tax authorities. The statutes of limitations are 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 $3 million to $5 million.

The Company made cash income tax payments, net of refunds, of $50 million, $89 million, and $108 million during 2020, 2019, and 2018. In addition, the Company made cash income tax payments, net of refunds, of $8 million, $39 million, and $9 million during 2020, 2019, and 2018 related to discontinued operations. Such payments exclude income tax related payments made to or refunded by the Company's former parent Cendant.

10. Vacation Ownership Contract Receivables

The Company generates VOCRs by extending financing to the purchasers of its VOIs.As of December 31, Vacation ownership contract receivables, net consisted of (in millions):

	2020	2019
Vacation ownership contract receivables:		
Securitized [(a)]	$ 2,458	$ 2,984
Non-securitized [(b)]	717	883
Vacation ownership contract receivables, gross	3,175	3,867
Less: Allowance for loan losses	693	747
Vacation ownership contract receivables, net	$ 2,482	$ 3,120

(a) Excludes $23 million and $25 million of accrued interest on VOCRs as of December 31, 2020 and 2019, which are included in Trade receivables, net on the Consolidated Balance Sheets.
(b) Excludes $9 million and $7 million of accrued interest on VOCRs as of December 31, 2020 and 2019, which are included in Trade receivables, net on the Consolidated Balance Sheets.

Principal payments due on the Company's VOCRs during each of the five years subsequent to December 31, 2020, and thereafter are as follows (in millions):

	Securitized	Non - Securitized	Total
2021	$ 245	$ 70	$ 315
2022	263	69	332
2023	280	76	356
2024	294	81	375
2025	287	74	361
Thereafter	1,089	347	1,436
	$ 2,458	$ 717	$ 3,175

During 2020, 2019, and 2018, the Company's securitized VOCRs generated interest income of $391 million, $405 million, and $363 million. Such interest income is included within Consumer financing revenue on the Consolidated Statements of (Loss)/Income.

During 2020, 2019, and 2018, the Company originated VOCRs of $481 million, $1.5 billion, and $1.51 billion and received principal collections of $718 million, $937 million, and $890 million. The weighted average interest rate on outstanding VOCRs was14.4%, 14.4%, and 14.1% during 2020, 2019, and 2018.

The activity in the allowance for loan losses on VOCRs was as follows (in millions):

	Amount
Allowance for loan losses as of December 31, 2017	$ 691
Provision for loan losses	456
Contract receivables written off, net	(413)
Allowance for loan losses as of December 31, 2018	734
Provision for loan losses	479
Contract receivables write-offs, net	(466)
Allowance for loan losses as of December 31, 2019	747
Provision for loan losses	415
Contract receivables write-offs, net	(469)
Allowance for loan losses as of December 31, 2020	$ 693

The Company recorded a provision for loan losses of $415 million as a reduction of net revenues during the year ended December 31, 2020, and $479 million for the year ended December 31, 2019. Due to the economic downturn resulting from COVID-19, the Company evaluated the potential impact of COVID-19 on its owners' ability to repay their contract receivables and as a result of current and projected unemployment rates at that time, the Company increased its loan loss allowance in the first quarter of 2020. This was reflected as a $225 million reduction to Vacation ownership interest sales and a $55 million reduction to Cost of vacation ownership interests on the Consolidated Statements of (Loss)/Income. During the fourth quarter of 2020, the Company updated its evaluation of the impact of COVID-19 on its owners' ability to repay their contract receivables and, as a result of an improvement in net new defaults and lower than expected unemployment rates, reduced the reserve by $20 million with a corresponding $7 million change in Cost of vacation ownership interests. The total impact of COVID-19 on the ability for owners' to repay their contracts receivables for the year ended December 31, 2020, is reflected as a $205 million reduction to Vacation ownership interest sales and a $48 million reduction to Cost of vacation ownership interests on the Consolidated Statements of (Loss)/Income.

Estimating the amount of the additional loan loss allowance for COVID-19 involved the use of significant estimates and assumptions. Management based its estimates upon historical data on the relationship between unemployment rates and net new defaults observed during the most recent recession in 2008. Specifically, historical data indicated that net new defaults did not return to prior levels until 15-20 months after the peak in unemployment. As of December 31, 2020, given the significant amount of government assistance provided to consumers in the early stages of the pandemic, the Company estimated default rates would remain elevated for the next 12-15 months as a result of COVID-19. The Company will continue to monitor this reserve as more information becomes available.

Credit Quality for Financed Receivables and the Allowance for Credit Losses

The basis of the differentiation within the identified class of financed VOI contract receivables is the consumer's Fair Isaac Corporation ("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 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, from 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 Vacation Ownership Asia Pacific business for which scores are not readily available).

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

	As of December 31, 2020					
	700+	**600-699**	**<600**	**No Score**	**Asia Pacific**	**Total**
Current	$ 1,706	$ 835	$ 160	$ 96	$ 221	$ 3,018
31 - 60 days	20	25	13	4	2	64
61 - 90 days	13	18	12	3	1	47
91 - 120 days	12	16	14	3	1	46
Total [(a)]	$ 1,751	$ 894	$ 199	$ 106	$ 225	$ 3,175

	As of December 31, 2019					
	700+	**600-699**	**<600**	**No Score**	**Asia Pacific**	**Total**
Current	$ 2,019	$ 1,049	$ 196	$ 134	$ 250	$ 3,648
31 - 60 days	25	37	21	5	2	90
61 - 90 days	18	28	17	3	1	67
91 - 120 days	13	21	24	3	1	62
Total [(a)]	$ 2,075	$ 1,135	$ 258	$ 145	$ 254	$ 3,867

[(a)] Includes contracts under temporary deferment (up to 180 days). As of December 31, 2020 and 2019, contracts under deferment total $ 37 million and $ 8 million.

The Company ceases to accrue interest on VOI contract receivables once the contract has remained delinquent for greater than 90 days and reverses all of the associated accrued interest recognized to date against interest income included within Consumer financing revenue on the Consolidated Statements of (Loss)/Income. 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.

The following table details the year of origination of financing receivables using the most recently updated FICO scores, based on the policy described above (in millions):

	As of December 31, 2020					
	700+	600-699	<600	No Score	Asia Pacific	Total
2020	$ 424	$ 173	$ 11	$ 17	$ 55	$ 680
2019	476	269	67	27	70	909
2018	339	183	50	21	36	629
2017	220	115	31	16	22	404
2016	128	63	16	10	16	233
Prior	164	91	24	15	26	320
Total	$ 1,751	$ 894	$ 199	$ 106	$ 225	$ 3,175

	As of December 31, 2019					
	700+	600-699	<600	No Score	Asia Pacific	Total
2019	$ 866	$ 454	$ 54	$ 53	$ 119	$ 1,546
2018	486	285	80	32	49	932
2017	303	166	51	23	29	572
2016	173	89	29	14	20	325
2015	99	56	17	9	14	195
Prior	148	85	27	14	23	297
Total	$ 2,075	$ 1,135	$ 258	$ 145	$ 254	$ 3,867

11. Inventory

Inventory, as of December 31, consisted of (in millions):

	2020	2019
Completed VOI inventory	$ 1,049	$ 802
Estimated VOI recoveries	246	281
VOI construction in process	30	24
Inventory sold subject to repurchase	13	24
Vacation exchange credits and other	8	65
Land held for VOI development	1	3
Total inventory	$ 1,347	$ 1,199

The Company had net transfers of $30 million and $41 million of VOI inventory to property and equipment during 2020 and 2019.

During 2020, as a result of resort closures and cancellations surrounding COVID-19, the Company recorded a $48 million reduction to exchange inventory consisting of costs previously incurred by RCI to provide enhanced out-of-network travel options to members. The write-off was included within Operating expenses on the Consolidated Statements of (Loss)/Income. The Company anticipates that remaining inventory will be fully utilized to maximize exchange supply for its members in 2021 and beyond.

Inventory Sale Transactions

During 2020, the Company acquired properties in Orlando, Florida, and Moab, Utah, from third-party developers for vacation ownership inventory and property and equipment.

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

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. 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.

The following table summarizes the activity related to the Company's inventory obligations (in millions):

	Avon [a]	Austin [a]	Las Vegas [a]	Moab [a]	Orlando [a]	Other [b]	Total
December 31, 2018	$ 11	$ 31	$ 52	$ —	$ —	$ 6	$ 100
Purchases	—	1	27	—	—	148	176
Payments	(11)	(32)	(36)	—	—	(148)	(227)
December 31, 2019	—	—	43	—	—	6	49
Purchases	—	—	36	41	44	107	228
Payments	—	—	(66)	(10)	(22)	(96)	(194)
December 31, 2020	$ —	$ —	$ 13	$ 31	$ 22	$ 17	$ 83

(a) Included in Accrued expenses and other liabilities on the Consolidated Balance Sheets.
(b) Included in Accounts payable on the Consolidated Balance Sheets.

The Company has committed to repurchase the completed property located in Las Vegas, Nevada, from third-party developers subject to the property meeting the Company's vacation ownership resort standards and provided that the third-party developers have not sold the property to another party. The maximum potential future payments that the Company may be required to make under these commitments was $59 million as of December 31, 2020.

12. Property and Equipment, net

Property and equipment, net, as of December 31, consisted of (in millions):

	2020	2019
Land	$ 30	$ 28
Building and leasehold improvements	591	572
Furniture, fixtures and equipment	207	218
Capitalized software	694	652
Finance leases	14	14
Construction in progress	12	40
Total property and equipment	1,548	1,524
Less: Accumulated depreciation and amortization	882	844
Property and equipment, net	$ 666	$ 680

During 2020, 2019, and 2018, the Company recorded depreciation and amortization expense from continuing operations of $117 million, $113 million, and $126 million related to property and equipment. As of December 31, 2020 and 2019, the Company had accrued capital expenditures of $3 million and $2 million.

13. Leases

The Company adopted the new Leases accounting standard as of January 1, 2019, resulting in the recognition of $158 million of right-of-use assets and $200 million of related lease liabilities. Right-of-use assets were decreased by $42 million of tenant improvement allowances and deferred rent balances reclassified from other liabilities. Both the right-of-use assets and related lease liabilities recognized upon adoption included $21 million associated with the Company's held-for-sale business. The new standard requires a lessee to recognize right-of-use assets and lease liabilities on the balance sheet for all lease obligations and disclose key information about leasing arrangements, such as the amount, timing, and uncertainty of cash flows arising from leases. The Company adopted the standard using the modified retrospective

approach; therefore, prior year financial statements were not recast. The Company elected the package of transition provisions available for expired or existing contracts, which allowed the Company to carryforward its historical assessments of (i) whether contracts are leases or contain leases, (ii) lease classification, and (iii) initial direct costs.

The Company leases property and equipment under finance and operating leases for its corporate headquarters, administrative functions, marketing and sales offices, and various other facilities and equipment. For leases with terms greater than 12 months, the Company records the related asset and obligation at the present value of lease payments over the term. Many of its leases include rental escalation clauses, lease incentives, renewal options and/or termination options that are factored into the Company's determination of lease payments. The Company elected the hindsight practical expedient to determine the reasonably certain lease term for existing leases. The Company also made an accounting policy election to keep leases with an initial term of 12 months or less off the balance sheet and recognize the associated lease payments on a straight-line basis over the lease term in the statements of (loss)/income.

When available, the Company uses the rate implicit in the lease to discount lease payments to present value; however, most of its leases do not provide a readily determinable implicit rate. Therefore, the Company must estimate its incremental borrowing rate to discount the lease payments based on information available at lease commencement. The majority of the Company's leases have remaining lease terms of one to 20 years, some of which include options to extend the leases for up to10 years, and some of which include options to terminate the leases within one year.

The table below presents information related to the lease costs for finance and operating leases for the year ended December 31, (in millions):

	2020	2019
Operating lease cost	$ 30	$ 37
Short-term lease cost	$ 14	$ 23
Finance lease cost:		
Amortization of right-of-use assets	$ 3	$ 2
Interest on lease liabilities	—	—
Total finance lease cost	$ 3	$ 2

The table below presents the lease-related assets and liabilities recorded on the balance sheet:

	Balance Sheet Classification	December 31, 2020	December 31, 2019
Operating Leases (in millions):			
Operating lease right-of-use assets	Other assets	$ 92	$ 136
Operating lease liabilities	Accrued expenses and other liabilities	$ 157	$ 180
Finance Leases (in millions):			
Finance lease assets [(a)]	Property and equipment, net	$ 8	$ 5
Finance lease liabilities	Debt	$ 7	$ 5
Weighted Average Remaining Lease Term:			
Operating leases		7.1 years	7.8 years
Finance leases		2.6 years	2.8 years
Weighted Average Discount Rate:			
Operating leases [(b)]		5.9 %	6.2 %
Finance leases		5.6 %	4.2 %

(a) Presented net of accumulated depreciation.
(b) Upon adoption of the new lease standard, discount rates used for existing leases were established at January 1, 2019.

The table below presents supplemental cash flow information related to leases for the year ended December 31, (in millions):

	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 36	$ 48
Operating cash flows from finance leases	—	—
Financing cash flows from finance leases	4	2
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 3	$ 8
Finance leases	6	3

The table below presents maturities of lease liabilities as of December 31, 2020 (in millions):

	Operating Leases	Finance Leases
2021	$ 35	$ 3
2022	30	3
2023	28	2
2024	27	—
2025	23	—
Thereafter	49	—
Total minimum lease payments	192	8
Less: Amount of lease payments representing interest	(35)	(1)
Present value of future minimum lease payments	$ 157	$ 7

Subsequent to the Spin-off and in accordance with the Company's decision to further reduce its corporate footprint, the Company focused on rationalizing existing facilities which included abandoning portions of its administrative offices in New Jersey. As a result, during 2019 the Company recorded $12 million of non-cash impairment charges associated with the write-off of right-of-use assets and furniture, fixtures and equipment. During 2019, the Company also entered into an early termination agreement for an operating lease in Chicago, Illinois, resulting in $6 million of non-cash impairment charges associated with the write-off of right-of-use assets, related lease liabilities, and furniture, fixtures and equipment. These charges were offset by a $9 million indemnification receivable from Wyndham Hotels. Such amounts are included within Separation and related costs on the Consolidated Statements of (Loss)/Income.

Due to the impact of COVID-19 during 2020, the Company decided to abandon the remaining portion of its administrative offices in New Jersey. The Company was also notified that Wyndham Hotels exercised its early termination rights under the sublease agreement for this building. As a result, the Company recorded $22 million of restructuring charges associated with non-lease components of the office space and $24 million of impairment charges associated with the write-off of right-of-use assets and furniture, fixtures and equipment. Additionally during 2020, the Company incurred $5 million of impairment charges related to right-of-use assets at closed sales centers within its Vacation Ownership segment, and $1 million of restructuring charges at each of the Vacation Ownership and corporate segments related to right-of-use assets at its corporate headquarters.

14. Other Assets

Other assets, as of December 31, consisted of (in millions):

	2020	2019
Right-of-use assets	$ 92	$ 136
Deferred costs	90	106
Non-trade receivables, net	77	82
Deferred tax asset	27	26
Investments	26	35
Tax receivables	20	34
Deposits	20	15
Marketable securities	9	10
Other	26	30
	$ 387	$ 474

15. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities, as of December 31, consisted of (in millions):

	2020	2019
Accrued payroll and related costs	$ 166	$ 205
Lease liabilities [(a)]	157	180
Accrued taxes	73	86
Guarantees	67	72
Inventory sale obligation [(b)]	66	43
Accrued interest	65	41
Accrued advertising and marketing	61	54
Payables associated with separation and sale of business activities	39	41
Resort related obligations	39	33
Restructuring liabilities [(c)]	26	7
Accrued VOI maintenance fees	24	19
Deferred consideration	21	44
Accrued legal and professional fees	20	22
Accrued legal settlements	13	13
Customer advances	10	20
Accrued separation costs	7	14
COVID-19 liabilities [(d)]	6	—
Accrued other	69	79
	$ 929	$ 973

(a) See Note 13—*Leases* for details.
(b) See Note 11—*Inventory* for details.
(c) See Note 28—*Restructuring* for details.
(d) See Note 26—*COVID-19 Related Items* for details.

16. Debt

The Company's indebtedness, as of December 31, consisted of (in millions):

	2020	2019
Non-recourse vacation ownership debt: [a]		
Term notes [b]	$ 1,893	$ 1,969
AUD/NZD bank conduit facility (due September 2021) [c]	173	64
USD bank conduit facility (due October 2022) [d]	168	508
Total	$ 2,234	$ 2,541
Debt: [e]		
$1.0 billion secured revolving credit facility (due May 2023) [f]	$ 547	$ —
$300 million secured term loan B (due May 2025) [g]	291	293
$40 million 7.375% secured notes (due March 2020)	—	40
$250 million 5.625% secured notes (due March 2021)	250	249
$650 million 4.25% secured notes (due March 2022) [h]	650	649
$400 million 3.90% secured notes (due March 2023) [i]	402	404
$300 million 5.65% secured notes (due April 2024) [j]	299	298
$350 million 6.60% secured notes (due October 2025) [k]	344	342
$650 million 6.625% secured notes (due July 2026)	641	—
$400 million 6.00% secured notes (due April 2027) [l]	408	409
$350 million 4.625% secured notes (due March 2030)	345	345
Finance leases	7	5
Total	$ 4,184	$ 3,034

[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 $2.57 billion and $ 3.12 billion of underlying gross VOCRs and related assets (which legally are not assets of the Company) as of December 31, 2020 and 2019.

[b] The carrying amounts of the term notes are net of debt issuance costs of $ 21 million and $ 23 million as of December 31, 2020 and 2019.

[c] The Company has a borrowing capacity of 255 million Australian dollars ("AUD") and 48 million New Zealand dollars ("NZD") under the AUD/NZD bank conduit facility through September 2021. Borrowings under this facility are required to be repaid no later than September 2023.

[d] The Company has a borrowing capacity of $ 800 million under the USD bank conduit facility through October 2022. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but no later than November 2023.

[e] The carrying amounts of the secured notes and term loan are net of unamortized discounts of $ 16 million and $ 12 million as of December 31, 2020 and 2019, and net of unamortized debt financing costs of $7 million as of December 31, 2020 and 2019.

[f] The weighted average effective interest rate on borrowings from this facility was 3.02% and 5.19% as of December 31, 2020 and 2019. In late March 2020, the Company drew down its $1.0 billion secured revolving credit facility as a precautionary measure due to COVID-19. The Company used a portion of the proceeds from the issuance of the $ 650 million secured notes to repay a portion of this debt. At December 31, 2020, the Company had $1.2 billion in Cash and cash equivalents on the Consolidated Balance Sheet.

[g] The weighted average effective interest rate on borrowings from this facility was 2.93% and 4.71% as of December 31, 2020 and 2019.

[h] Includes less than $1 million and $ 1 million of unamortized gains from the settlement of a derivative as of December 31, 2020 and 2019.

[i] Includes $3 million and $ 5 million of unamortized gains from the settlement of a derivative as of December 31, 2020 and 2019.

[j] Effective October 1, 2020, the interest rate of these notes were increased from 5.40% to 5.65% as a result of the Company's corporate notes being downgraded on May 6, 2020.

[k] Effective October 1, 2020, the interest rate of these notes were increased from 6.35% to 6.60% as a result of the Company's corporate notes being downgraded on May 6, 2020. Includes $5 million and $ 6 million of unamortized losses from the settlement of a derivative as of December 31, 2020 and 2019.

[l] Effective October 1, 2020, the interest rate of these notes were increased from 5.75% to 6.00% as a result of the Company's corporate notes being downgraded on May 6, 2020. Includes $11 million and $ 13 million of unamortized gains from the settlement of a derivative as of December 31, 2020 and 2019.

Maturities and Capacity

The Company's outstanding debt as of December 31, 2020 matures as follows (in millions):

	Non-recourse Vacation Ownership Debt	Debt	Total
Within 1 year	$ 369	$ 256	$ 625
Between 1 and 2 years	341	656	997
Between 2 and 3 years	223	954	1,177
Between 3 and 4 years	224	301	525
Between 4 and 5 years	241	622	863
Thereafter	836	1,395	2,231
	$ 2,234	$ 4,184	$ 6,418

Required principal payments on the non-recourse vacation ownership debt are based on the contractual repayment terms of the underlying VOCRs. Actual maturities may differ as a result of prepayments by the VOCR obligors.

As of December 31, 2020, the available capacity under the Company's borrowing arrangements was as follows (in millions):

	Non-recourse Conduit Facilities [(a)]	Revolving Credit Facilities [(b)]
Total capacity	$ 1,031	$ 1,000
Less: Outstanding borrowings	341	547
Less: Letters of credit	—	96
Available capacity	$ 690	$ 357

(a) Consists of the Company's USD bank conduit facility and AUD/NZD bank conduit facility. The capacity of these facilities is subject to the Company's ability to provide additional assets to collateralize additional non-recourse borrowings.
(b) Consists of the Company's $1.0 billion secured revolving credit facility.

Non-recourse Vacation Ownership Debt

As discussed in Note 17—*Variable Interest Entities*, the Company issues debt through the securitization of VOCRs.

Sierra Timeshare 2020-1 Receivables Funding, LLC. On April 29, 2020, the Company closed on a private securitization financing, issued by Sierra Timeshare 2020-1 Receivables Fundings LLC, with an initial principal amount of $325 million, which are secured by VOCRs and bearing a floating interest rate of3.50% as of December 31, 2020. The advance rate for this transaction was85%. As of December 31, 2020, the Company had $222 million of outstanding borrowings under these term notes, net of debt issuance costs.

Sierra Timeshare 2020-2 Receivables Funding LLC. On August 13, 2020, the Company closed on a placement of a series of term notes payable, issued by Sierra Timeshare 2020-2 Receivables Funding LLC, with an initial principal amount of $575 million, which are secured by VOCRs and bear interest at a weighted average coupon rate of 2.81%. The advance rate for this transaction was90%. As of December 31, 2020, the Company had $479 million of outstanding borrowings under these term notes, net of debt issuance costs.

Term Notes. In addition to the 2020 term notes described above, as of December 31, 2020, the Company had $1.19 billion of outstanding non-recourse borrowings, net of debt issuance costs, under term notes entered into prior to December 31, 2019. The Company's non-recourse term notes include fixed and floating rate term notes for which the weighted average interest rate was 4.5%, 4.5%, and 4.1% during 2020, 2019, and 2018.

USD bank conduit facility. The Company has a non-recourse timeshare receivables conduit facility with a total capacity of $800 million and bears interest at variable rates based on the base rate or the LIBOR rate plus a spread. On October 27, 2020, the Company renewed the facility, extending the end of the commitment period from August 30, 2021 to October 31, 2022 and making certain other amendments, including to the advance rate, the LIBOR replacement mechanism, certain default and delinquency triggers, the applicable commercial paper rate and certain concentration limits. The facility bears

interest based on variable commercial paper rates plus a spread or LIBOR (or a successor rate), plus a spread. Borrowings under this facility are required to be repaid as the collateralized receivables amortize, no later than November 2023. As of December 31, 2020, the Company had $168 million of outstanding borrowings under these term notes.

AUD/NZD bank conduit facility. The Company has a non-recourse timeshare receivables conduit facility with a total capacity of A$255 million and NZ$48 million, which is secured by VOCRs and bears interest at variable rates based on the Bank Bill Swap Bid Rate plus 1.50%. Borrowings under this facility are required to be repaid no later than September 2023. As of December 31, 2020, the Company had $173 million of outstanding borrowings under these term notes.

As of December 31, 2020, the Company's non-recourse vacation ownership debt of $2.23 billion was collateralized by $2.57 billion of underlying gross VOCRs and related assets. Additional usage of the capacity of the Company's non-recourse 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 non-recourse vacation ownership debt was 4.2%, 4.4%, and 4.2% during 2020, 2019, and 2018.

Debt

$1.0 billion Revolving Credit Facility and $300 million Term Loan B. In 2018, the Company entered into a credit agreement with Bank of America, N.A. as administrative agent and collateral agent. The agreement provides for new senior secured credit facilities in the amount of $1.3 billion, consisting of secured term loan B of $300 million maturing in 2025 and a new secured revolving facility of $1.0 billion maturing in 2023. The interest rate per annum applicable to term loan B is equal to, at the Company's option, either a base rate plus a margin of 1.25% or LIBOR plus a margin of 2.25%. The interest rate per annum applicable to borrowings under the revolving credit facility prior to and after the Relief Period terminates (as per the credit agreement amendment) is equal to, at the Company's option, either a base rate plus a margin ranging from 0.75% to 1.25% or LIBOR plus a margin ranging from 1.75% to 2.25%, however, during the Relief Period, the margin ranges are 0.75% to 1.75% for base rates and 1.75% to 2.75% for LIBOR based rates. The LIBOR rate with respect to either term loan B or the revolving credit facility borrowings are subject to a "floor" of 0.00%. As of December 31, 2020, the Company's interest rate per annum applicable to term loan B and borrowings under the revolving credit facility was the applicable LIBOR based rate plus a margin of 2.25%.

In connection with this credit agreement, the Company entered into a security agreement with Bank of America, N.A., as collateral agent, as defined in the security agreement, for the secured parties. The security agreement granted a security interest in the collateral of the Company and added the holders of Travel + Leisure's outstanding 7.375% notes due 2020, 5.625% notes due 2021, 4.25% notes due 2022, 3.90% notes due 2023, 5.65% notes due 2024, 6.60% notes due 2025, and 6.00% notes due 2027, as "secured parties," as defined in the security agreement, that share equally and ratably in the collateral owned by the Company for so long as indebtedness under the credit agreement is secured by such collateral. The interest rates on the aforementioned notes reflect increases resulting from rating agency downgrades of the Company's corporate notes. Pursuant to the terms of the indentures governing such series of notes, the interest rate on each such series of notes may be subject to future increases or decreases, as a result of future downgrades or upgrades to the credit ratings of such notes by Standard & Poor's Rating Services ("S&P"), Moody's Investors Services, Inc. ("Moody's"), or a substitute rating agency. Since issuance the interest rates on these notes have increased 150 basis points as of December 31, 2020, with a maximum potential for additional increase of 50 basis points.

Secured Notes. On July 24, 2020, the Company issued secured notes, with a face value of $650 million and an interest rate of 6.625%, for net proceeds of $643 million. Debt discount and deferred financing costs were collectively $9 million, which will be amortized over the life of the notes. Interest is payable semi-annually in arrears on the notes. The notes will mature on July 31, 2026, 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. The proceeds will be used for general corporate purposes, which may include the repayment of outstanding indebtedness under its secured revolving credit facility, the future repayment of the Company's 5.625% secured notes due March 2021 and the payment of related fees and expenses. In the third quarter, the Company used a portion of the secured notes proceeds to repay $350 million of its indebtedness under the secured revolving credit facility.

As of December 31, 2020, the Company had $2.7 billion of outstanding secured notes issued prior to December 31, 2019. 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 of 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 secured indebtedness.

Deferred Financing Costs

The Company classifies debt issuance costs related to its revolving credit facilities and the bank conduit facilities within Other assets on the Consolidated Balance Sheets. Such costs were $11 million as of December 31, 2020 and 2019.

Fair Value Hedges

During 2017, the Company entered into pay-variable/receive-fixed interest rate swap agreements on its 6.00% secured notes with notional amounts of $400 million. The fixed interest rates on these notes were effectively modified to a variable LIBOR-based index. During 2019, the Company terminated these swap agreements resulting in a gain of $13 million which will be amortized over the remaining life of the secured notes as a reduction to Interest expense on the Consolidated Statements of (Loss)/Income. The Company had $11 million and $13 million of deferred gains associated with this transaction as of December 31, 2020 and 2019, which are included within Debt on the Consolidated Balance Sheets.

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. 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 (Loss)/Income. The Company had $4 million and $6 million of deferred gains as of December 31, 2020 and 2019, which are included within Debt on the Consolidated Balance Sheets.

Debt Covenants

The revolving credit facilities and term loan B are subject to covenants including the maintenance of specific financial ratios as defined in the credit agreement. The financial ratio covenants consist of a minimum interest coverage ratio of at least 2.5 to 1.0 as of the measurement date and a maximum first lien leverage ratio not to exceed 4.25 to 1.0 as of the measurement date. The interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreement) by consolidated interest expense (as defined in the credit agreement), both as measured on a trailing 12-month basis preceding the measurement date. The first lien leverage ratio is calculated by dividing consolidated first lien debt (as defined in the credit agreement) as of the measurement date by consolidated EBITDA (as defined in the credit agreement) as measured on a trailing 12-month basis preceding the measurement date.

On July 15, 2020, the Company entered into an amendment to the Company's credit agreement ("Credit Agreement Amendment"). The Credit Agreement Amendment established a relief period with respect to the Company's secured revolving credit facility, which commenced on July 15, 2020, and will end on April 1, 2022, or upon termination by the Company of the relief period, subject to certain conditions. The Credit Agreement Amendment increased the existing leverage-based financial covenant of 4.25 to 1.0 by varying levels for each applicable quarter during the Relief Period. As of December 31, 2020, the Credit Agreement Amendment increased the maximum first lien leverage ratio to 7.50 to 1.0. Following the Relief Period, the Credit Agreement Amendment reestablishes the existing leverage-based financial covenant of 4.25 to 1.0, tested on the basis of trailing 12-month consolidated EBITDA (as defined in the credit agreement). In addition, the Credit Agreement Amendment, among other things, increased the interest rate applicable to borrowings under the Company's secured revolving credit facility based on the Company's first lien leverage ratio in any quarter it exceeds 4.25 to 1.0, until the end of the Relief Period; added a new minimum liquidity covenant, tested quarterly until the end of the Relief Period, of (i) $250 million plus (ii) 50% of the aggregate amount of dividends paid after the effective date of the Credit Agreement Amendment, and on or prior to the last day of the relevant fiscal quarter; and requires the Company and its subsidiaries to maintain an interest coverage ratio (as defined in the credit agreement) of not less than 2.00 to 1.0, which shall increase to 2.50 to 1.0 after the Relief Period, the level existing prior to the effective date of the Credit Agreement Amendment. Finally, the Credit Agreement Amendment amends the definition of "Material Adverse Effect" in the credit agreement to take into consideration the impacts of the COVID-19 pandemic during the Relief Period, to the extent disclosed prior to July 15, 2020, in the Company's public filings and certain other specified materials. The Relief Period includes certain restrictions on the use of cash including the prohibition of share repurchases until such time as the Company chooses to exercise its option to exit the amendment. Additionally, the amendment limits the payout of dividends during the Relief Period to not exceed $0.50 per share, the rate in effect prior to the amendment. The Company has the option to terminate the Relief Period at any time it can demonstrate compliance with the 4.25 to 1.0 first lien leverage ratio.

As of December 31, 2020, the Company's interest coverage ratio was 3.0 to 1.0 and the first lien leverage ratio was 5.4 to 1.0. These ratios do not include interest expense or indebtedness related to any qualified securitization financing (as defined in the credit agreement). As of December 31, 2020, the Company was in compliance with all of the financial

covenants described above. Under the Credit Agreement Amendment, if the first lien leverage ratio exceeds 4.25 to 1.0, the interest rate on revolver borrowings would increase, and the Company would be subject to higher fees associated with its letters of credit. Given the first lien leverage ratio at December 31, 2020, the interest rate on the revolver borrowings will increase 25 basis points effective March 1, 2021. This interest rate is subject to future changes based on the Company's first lien ratio which could serve to further increase the rate up to an additional 25 basis points, or reduce this rate.

Each of the Company's non-recourse securitized term notes, and the bank conduit facilities contain various triggers relating to the performance of the applicable loan pools. If the VOCR pool that collateralizes one of the Company's 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, 2020, all of the Company's securitized loan pools were in compliance with applicable contractual triggers.

Interest Expense

The Company incurred interest expense of $192 million during 2020. Such amount consisted primarily of interest on debt, excluding non-recourse vacation ownership debt, and included an offset of $1 million of capitalized interest. Cash paid related to such interest was $163 million.

The Company incurred interest expense of $162 million during 2019. Such amount consisted primarily of interest on debt, excluding non-recourse vacation ownership debt, and included an offset of $3 million of capitalized interest. Cash paid related to such interest was $158 million.

The Company incurred interest expense of $170 million during 2018. Such amount consisted primarily of interest on debt, excluding non-recourse vacation ownership debt, and included an offset of $2 million of capitalized interest. Cash paid related to such interest was $159 million.

Interest expense incurred in connection with the Company's non-recourse vacation ownership debt was $101 million, $106 million, and $88 million during 2020, 2019, and 2018, and is reported within Consumer financing interest on the Consolidated Statements of (Loss)/Income. Cash paid related to such interest was $74 million, $81 million, and $58 million during 2020, 2019, and 2018.

17. Variable Interest Entities

In accordance with the applicable accounting guidance for the consolidation of a VIE, the Company analyzes its variable interests, including loans, guarantees, SPEs, and equity investments, to determine if an entity in which the Company has a variable interest is 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 into its financial statements those VIEs for which it has determined that it is the primary beneficiary.

Vacation Ownership Contract Receivables Securitizations

The Company pools qualifying VOCRs and sells them to bankruptcy-remote entities. VOCRs qualify for securitization based primarily on the credit strength of the VOI purchaser to whom financing has been extended. VOCRs 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 VOCRs. The Company services the securitized VOCRs pursuant to servicing agreements negotiated on an arm's-length basis based on market conditions. The activities of these SPEs are limited to (i) purchasing VOCRs 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 (in millions):

	December 31, 2020	December 31, 2019
Securitized contract receivables, gross [a]	$ 2,458	$ 2,984
Securitized restricted cash [b]	92	110
Interest receivables on securitized contract receivables [c]	23	25
Other assets [d]	5	4
Total SPE assets	2,578	3,123
Non-recourse term notes [e][f]	1,893	1,969
Non-recourse conduit facilities [e]	341	572
Other liabilities [g]	2	4
Total SPE liabilities	2,236	2,545
SPE assets in excess of SPE liabilities	$ 342	$ 578

(a) Included in Vacation ownership contract receivables, net on the Consolidated Balance Sheets.
(b) Included in Restricted cash 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 facility and a security investment asset, which is included in Other assets on the Consolidated Balance Sheets.
(e) Included in Non-recourse vacation ownership debt on the Consolidated Balance Sheets.
(f) Includes deferred financing costs of $ 21 million and $ 23 million as of December 31, 2020 and 2019, related to non-recourse debt.
(g) Primarily includes accrued interest on non-recourse debt, which is included in Accrued expenses and other liabilities on the Consolidated Balance Sheets.

In addition, the Company has VOCRs that have not been securitized through bankruptcy-remote SPEs. Such gross receivables were $717 million and $883 million as of December 31, 2020 and 2019. A summary of total vacation ownership receivables and other securitized assets, net of securitized liabilities and the allowance for loan losses, is as follows (in millions):

	December 31, 2020	December 31, 2019
SPE assets in excess of SPE liabilities	$ 342	$ 578
Non-securitized contract receivables	717	883
Less: Allowance for loan losses	693	747
Total, net	$ 366	$ 714

Clearwater, Florida 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. The Company is considered to be the primary beneficiary for specified assets and liabilities of the SPE and, therefore, during 2017 the Company consolidated $51 million of both its Property and equipment, net and Debt on its Consolidated Balance Sheets. During 2018, the Company made its final purchase of VOI inventory from the SPE, and the mortgage note was extinguished.

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, during 2017, the Company was considered the primary beneficiary for specified assets and liabilities of the SPE, and therefore consolidated $64 million of Property and equipment, net and $104 million of Debt on its Consolidated Balance Sheets. As a result of this consolidation, the Company incurred a non-cash $37 million loss due to the write-down

of property and equipment to fair value. Such loss is presented within Asset impairments on the Consolidated Statements of (Loss)/Income. During 2019, the Company made its final purchase of VOI inventory from the SPE and the debt was extinguished.

During 2020, the SPEs conveyed no property and equipment to the Company. The SPEs conveyed $23 million of property and equipment to the Company during 2019.

18. 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 currently consist of interest rate caps and foreign exchange forward contracts. See Note 19—*Financial Instruments* for additional details.

As of December 31, 2020, the Company had foreign exchange contracts resulting in $3 million of assets which are included within Other assets and less than $1 million of liabilities which are included in Accrued expenses and other liabilities on the Consolidated Balance Sheets. On a recurring basis, such assets and liabilities are remeasured at estimated fair value (all of which are Level 2) and thus are equal to the carrying value.

The impact of interest rate caps was immaterial as of December 31, 2020.

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 were as follows (in millions):

	December 31, 2020		December 31, 2019	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Vacation ownership contract receivables, net (Level 3)	$ 2,482	$ 3,035	$ 3,120	$ 3,907
Liabilities				
Debt (Level 2)	$ 6,418	$ 6,705	$ 5,575	$ 5,709

The Company estimates the fair value of its VOCRs 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 non-recourse 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 debt, excluding finance leases, using Level 2 inputs based on indicative bids from investment banks and determines the fair value of its secured notes using quoted market prices (such secured notes are not actively traded).

19. 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 on 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 qualifying cash flow hedges, are recorded in Accumulated other comprehensive loss ("AOCL"). The derivative's gain or loss is released from AOCL to match the timing of the underlying hedged cash flows effect on earnings. A hedge is designated as a fair value hedge when the derivative is used to manage an exposure to changes in the fair value of a recognized asset or liability. For fair value hedges, the portion of the gain or loss on the derivative instrument designated as a fair value hedge will be recognized in earnings. The Company concurrently records changes in the value of the hedged asset or liability via a basis adjustment to the hedged item. These two changes in fair value offset one another in whole or in part and are reported in the same statement of income line item as the hedged risk.

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 AOCL 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 AOCL.

Changes in interest rates and foreign exchange rates expose the Company to market risk. The Company has used cash flow and fair value 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 euro, British pound sterling, Australian and Canadian dollars, and Mexican peso. 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 has used 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 AOCL 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 periodically uses financial derivatives to strategically adjust its mix of fixed to floating rate debt. The derivative

instruments utilized include interest rate swaps which convert 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. As of December 31, 2020, the Company did not have any interest rate derivatives designated as cash flow hedges.

The following table summarizes information regarding the losses recognized in AOCL for the years ended December 31 (in millions):

	2020	2019	2018
Designated hedging instruments			
Foreign exchange contracts	$ —	$ —	$ (1)

The following table summarizes information regarding the gains recognized in income on the Company's freestanding derivatives for the years ended December 31 (in millions):

	2020	2019	2018
Non-designated hedging instruments			
Foreign exchange contracts [(a)]	$ 3	$ 1	$ 2

[(a)] Included within Operating expenses on the Consolidated Statements of (Loss)/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, 2020, there were no significant concentrations of credit risk with any individual counterparty or groups of counterparties. However,18% of the Company's outstanding VOCRs 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, 2020, 16% and 15% of the Company's VOI sales revenues were generated in sales offices located in Florida and Nevada.

Included within the Consolidated Statements of (Loss)/Income are net revenues generated from transactions in the state of Florida of18%, 19%, and 16% during 2020, 2019, and 2018. There were 12% of net revenues generated from transactions in the state of California during 2020, and11% during 2019 and 2018.

20. Commitments and Contingencies

COMMITMENTS

Leases

The Company is committed to making finance and operating lease payments covering various facilities and equipment. Total future minimum lease obligations are $200 million, including finance leases, operating leases, leases signed but not yet commenced, and leases with a lease term of less than 12 months. See Note 13—*Leases* for additional detail.

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, 2020, aggregated to $973 million, of which $714 million were for marketing-related activities, $143 million were related to the development of vacation ownership properties, and $31 million were for information technology activities. Commitments for marketing related activities decreased $317 million from 2019 to 2020, primarily related to renegotiated and exited contracts as a result of COVID-19.

Inventory Sold Subject to Conditional Repurchase

In the normal course of business, the Company makes various commitments to repurchase completed vacation ownership properties from third-party developers. Inventory sold subject to conditional repurchase made by the Company as of December 31, 2020, aggregated to $59 million. See Note 11—*Inventory* for additional detail.

Letters of Credit

As of December 31, 2020, the Company had $127 million of irrevocable standby letters of credit outstanding, of which $96 million were under its revolving credit facilities. As of December 31, 2019, the Company had $60 million of irrevocable standby letters of credit outstanding, of which $17 million were under its revolving credit facilities. Such letters of credit issued during 2020 includes a $48 million letter of credit for guarantees related to the sale of the European vacation rentals business in which Wyndham Hotels and Travel + Leisure are required to maintain certain credit ratings, see Note 29—*Transactions with Former Parent and Former Subsidiaries* for additional details. The letters of credit issued during 2020 and 2019 also supported the securitization of VOCR fundings, certain insurance policies, and development activity at the Company's Vacation Ownership segment.

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 $2.3 billion, of which the Company had $261 million outstanding as of December 31, 2020. 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 its business, none of which, in the opinion of management, is expected to have a material effect on the Company's results of operations or financial condition.

Travel + Leisure Litigation

The Company may be from time to time 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 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; for its Travel and Membership 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, 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, whistleblower 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 fiscal quarter 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 $13 million as of December 31, 2020 and 2019. Such reserves are exclusive of matters relating to the Company's separation from Cendant, matters relating to the Spin-off, matters relating to the sale of the European vacation rentals business, and matters relating to the sale of the North American vacation rentals business, which are discussed in Note 29—*Transactions with Former Parent and Former Subsidiaries.* 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. As of December 31, 2020, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to $35 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.

For matters deemed reasonably possible, therefore 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. As of December 31, 2020, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to an amount less than $1 million.

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 and Indemnifications

Vacation Ownership

The Company has committed to repurchase completed property located in Las Vegas, Nevada, from a third-party developer subject to such property meeting the Company's vacation ownership resort standards and provided that the third-party developer has not sold such property to another party. See Note 11—*Inventory* for additional 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 was required to maintain an investment-grade credit rating from at least one rating agency. As a result of the Spin-off, the Company failed to maintain an investment-grade credit rating with at least one rating agency, which triggered a default. During 2018, the Company agreed to pay $8

million in fees in lieu of posting collateral in favor of the development partner in an amount equal to the remaining obligations under the agreements.

As part of the Fee-for-Service program, 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, 2020, the maximum potential future payments that the Company may be required to make under these guarantees is $32 million. As of December 31, 2020 and 2019, the Company had no recognized liabilities in connection with these guarantees. For information on guarantees and indemnifications related to the Company's former parent and subsidiaries see Note 29—*Transactions with Former Parent and Former Subsidiaries*.

21. Accumulated Other Comprehensive Income/(Loss)

The components of accumulated other comprehensive income/(loss) are as follows (in millions):

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, 2017	$ (96)	$ (2)	$ (5)	$ (103)
Other comprehensive (loss)/income before reclassifications	(75)	—	1	(74)
Amount reclassified to earnings	24	—	6	30
Balance as of December 31, 2018	(147)	(2)	2	(147)
Other comprehensive (loss) before reclassifications	(1)	—	(1)	(2)
Amount reclassified to earnings	—	1	—	1
Balance as of December 31, 2019	(148)	(1)	1	(148)
Other comprehensive income/(loss) before reclassifications	35	—	(1)	34
Balance as of December 31, 2020	$ (113)	$ (1)	$ —	$ (114)

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, 2017	$ 89	$ 2	$ 1	$ 92
Other comprehensive income before reclassifications	13	—	—	13
Amount reclassified to earnings	—	—	(2)	(2)
Effect of adoption of new accounting principle [(a)]	(8)	—	—	(8)
Balance as of December 31, 2018	94	2	(1)	95
Other comprehensive income/(loss) before reclassifications	1	(1)	1	1
Amount reclassified to earnings	—	—	—	—
Balance as of December 31, 2019	95	1	—	96
Other comprehensive income before reclassifications	2	—	—	2
Balance as of December 31, 2020	$ 97	$ 1	$ —	$ 98

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, 2017	$ (7)	$ —	$ (4)	$ (11)
Other comprehensive (loss)/income before reclassification	(62)	—	1	(61)
Amount reclassified to earnings	24	—	4	28
Other comprehensive (loss)/income	(38)	—	5	(33)
Effect of adoption of new accounting principle[(a)]	(8)	—	—	(8)
Balance as of December 31, 2018	(53)	—	1	(52)
Other comprehensive (loss) before reclassifications	—	(1)	—	(1)
Amount reclassified to earnings	—	1	—	1
Balance as of December 31, 2019	(53)	—	1	(52)
Other comprehensive income/(loss) before reclassifications	37	—	(1)	36
Balance as of December 31, 2020	$ (16)	$ —	$ —	$ (16)

(a) Impact of the Company's adoption of new accounting guidance which allowed for the reclassification of the stranded tax effects resulting from the implementation of the Tax Cuts and Jobs Act of 2017. This adoption resulted in an $8 million reclassification of tax benefit from AOCL to Retained Earnings.

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.

Reclassifications out of AOCL are presented in the following table. Amounts in parentheses indicate debits to the Consolidated Statements of (Loss)/Income (in millions):

	Year Ended December 31,	
	2020	2019
Unrealized losses on cash flow hedge, net		
(Loss)/gain on disposal of discontinued business, net of income taxes	$ —	$ (1)
Net income attributable to Travel + Leisure shareholders	$ —	$ (1)

22. Stock-Based Compensation

The Company has a stock-based compensation plan available to grant RSUs, PSUs, SSARs, non-qualified stock options ("NQs"), and other stock-based awards to key employees, non-employee directors, advisors, and consultants.

The Wyndham Worldwide Corporation 2006 Equity and Incentive Plan was originally adopted in 2006 and was amended and restated in its entirety and approved by shareholders on May 17, 2018, (the "Amended and Restated Equity Incentive Plan"). Under the Amended and Restated Equity Incentive Plan, a maximum of 15.7 million shares of common stock may be awarded. As of December 31, 2020, 11.9 million shares remain available.

Incentive Equity Awards Granted by the Company

During the year ended December 31, 2020, the Company granted incentive equity awards to key employees and senior officers totaling $35 million in the form of RSUs, $8 million in the form of PSUs, and $8 million in the form of stock options. Of these awards, the majority of NQs and RSUs will vest ratably over a period of four years. The PSUs will cliff vest on the third anniversary of the grant date, contingent upon the Company achieving certain performance metrics.

During the year ended December 31, 2019, the Company granted incentive equity awards totaling $26 million in the form of RSUs, $7 million in the form of PSUs, and $5 million in the form of stock options. During 2018, the Company granted incentive equity awards totaling $58 million in the form of RSUs and $7 million in the form of stock options.

The activity related to incentive equity awards granted to the Company's key employees and senior officers by the Company for the year ended December 31, 2020, consisted of the following (in millions, except grant prices):

	Balance as of December 31, 2019	Granted	Vested/Exercised	Forfeitures[a]	Balance as of December 31, 2020
RSUs					
Number of RSUs	1.0	1.0	(0.3)	(0.1)	1.6 [b]
Weighted average grant price	$ 46.32	$ 33.64	$ 46.44	$ 42.95	$ 38.22
PSUs					
Number of PSUs	0.2	0.1	—	—	0.3 [c]
Weighted average grant price	$ 44.38	$ 41.04	$ —	$ —	$ 42.57
SSARs					
Number of SSARs	0.2	—	—	—	0.2 [d]
Weighted average grant price	$ 34.24	$ —	$ —	$ —	$ 34.51
NQs [f]					
Number of NQs	1.3	1.1	—	(0.1)	2.3 [e]
Weighted average grant price	$ 46.84	$ 41.04	$ —	$ 43.43	$ 44.15

(a) The Company recognizes forfeitures as they occur.
(b) Aggregate unrecognized compensation expense related to RSUs was $ 45 million as of December 31, 2020, which is expected to be recognized over a weighted average period of 2.4 years.
(c) There was no unrecognized compensation expense related to PSUs as of December 31, 2020.
(d) There were 0.2 million SSARs that were exercisable as of December 31, 2020. There was no unrecognized compensation expense related to SSARs as of December 31, 2020, as all SSARs were vested.
(e) There were 0.5 million NQs which were exercisable as of December 31, 2020. These NQs will expire over a weighted average period of 7.7 years and carry a weighted average grant date fair value of $8.61. Unrecognized compensation expense for the NQs was $ 11 million as of December 31, 2020, which is expected to be recognized over a weighted average period of 2.8 years.
(f) Upon execution of NQs, the Company issues new shares to participants.

The fair value of stock options granted by the Company during 2020 and 2019 were estimated on the dates of these grants using the Black-Scholes option-pricing model with the relevant weighted average assumptions outlined in the table below. Expected volatility was based on both historical and implied volatilities of the Company's stock and the stock of comparable companies over the estimated expected life for options. The expected life represents the period of time these awards are expected to be outstanding. 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 options. 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.

Stock Options	2020	2019
Grant date fair value	$7.27 - $7.28	$8.98
Grant date strike price	$41.04	$44.38
Expected volatility	32.60 % - 32.88%	29.97%
Expected life	6.25 - 7.50 years	6.25 years
Risk-free interest rate	0.95 % - 1.03%	2.59%
Projected dividend yield	4.87%	4.06%

Stock-Based Compensation Expense

The Company recorded stock-based compensation expense of $20 million, $24 million, and $151 million during 2020, 2019, and 2018, related to the incentive equity awards granted to key employees, senior officers, and non-employee directors. Such stock-based compensation expense included expense related to discontinued operations of $22 million for 2018. Stock-based compensation expense for 2019 and 2018 included $4 million and $105 million of expense which has

been classified within Separation and related costs in continuing operations on the Consolidated Statements of (Loss)/Income.

The Company paid $2 million, $4 million, and $60 million of taxes for the net share settlement of incentive equity awards that vested during 2020, 2019, and 2018. Such amounts are included within Financing activities on the Consolidated Statements of Cash Flows.

Employee Stock Purchase Plan

During 2019, the Company implemented an employee stock purchase plan. This plan allows eligible employees to purchase common shares of Company stock through payroll deductions at a 10% discount from the fair market value at the grant date. The Company issued0.2 million shares in both 2020 and 2019 and recognized $1 million of compensation expense related to the grants under this plan in each period. The value of shares issued under this plan was $7 million and $11 million for 2020 and 2019.

23. Employee Benefit Plans

Defined Contribution Benefit Plans

Travel + Leisure 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 $19 million during 2020, and $33 million during both 2019 and 2018.

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 $7 million during 2020, $8 million during 2019, and $10 million during 2018.

Defined Benefit Pension Plans

The Company sponsors defined benefit pension plans for certain foreign subsidiaries, which were primarily part of the Company's European vacation rentals business, which is presented as discontinued operations. 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. During 2018, the Company recognized a $4 million loss related to the settlement of its obligation under these plans for the European vacation rentals business which was included as a component of the (Loss)/gain on disposal of discontinued business, net of income taxes on the Consolidated Statements of (Loss)/Income. The Company had $5 million and $4 million of net pension liability as of December 31, 2020 and 2019, included within Accrued expenses and other liabilities. As of December 31, 2020 and 2019, the Company had less than $1 million of unrecognized gains included within Accumulated other comprehensive loss on the Consolidated Balance Sheets.

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 had no pension expense related to these plans during 2020, 2019, and 2018.

24. Segment Information

The Company has two operating segments: Vacation Ownership and Travel and Membership. The Vacation Ownership segment 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. The Travel and Membership segment operates a variety of travel businesses, including three vacation exchange brands, a home exchange network, travel technology platforms, travel memberships, and direct-to-consumer rentals. During 2018, the Company decided to explore strategic alternatives for its North American vacation rentals business, which was part of its Travel and Membership segment and completed the sale of this business on October 22, 2019. The assets and liabilities of this business were classified as held-for-sale until the sale was completed. This business did not meet the criteria to be classified as a discontinued operation; therefore, the results of operations through the date of sale are included in the 2018 and 2019 results presented in the tables below. The reportable segments presented below represent the Company's operating segments for which discrete financial information is available and which are utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. Management uses net revenues and Adjusted EBITDA to assess the performance of the reportable segments. Adjusted EBITDA is defined by the Company as Net (loss)/income from continuing operations before Depreciation and amortization, Interest expense (excluding Consumer financing interest), early extinguishment of debt, Interest income (excluding Consumer financing revenues) and income taxes. Adjusted

EBITDA also excludes stock-based compensation costs, separation and restructuring costs, transaction costs, impairments, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent. The Company believes that Adjusted EBITDA is a useful measure of performance for its segments which, when considered with generally accepted accounting principles in the U.S. ("GAAP") measures, the Company believes gives a more complete understanding of its operating performance. The Company's presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies. The following tables present the Company's segment information (in millions):

	Year Ended December 31,		
Net revenues	**2020**	**2019**	**2018**
Vacation Ownership	$ 1,637	$ 3,151	$ 3,016
Travel and Membership	528	898	918
Total reportable segments	2,165	4,049	3,934
Corporate and other [a]	(5)	(6)	(3)
Total Company	$ 2,160	$ 4,043	$ 3,931

	Year Ended December 31,		
Reconciliation of Net income to Adjusted EBITDA	**2020**	**2019**	**2018**
Net (loss)/income attributable to Travel + Leisure shareholders	$ (255)	$ 507	$ 672
Loss from operations of discontinued businesses, net of income taxes	—	—	50
Loss/(gain) on disposal of discontinued business, net of income taxes	2	(18)	(456)
(Benefit from)/provision for income taxes	(23)	191	130
Depreciation and amortization	126	121	138
Interest expense	192	162	170
Interest (income)	(7)	(7)	(5)
Gain on sale of business	—	(68)	—
Asset impairments [b]	57	27	(4)
COVID-19 related costs [c]	56	—	—
Exchange inventory write-off	48	—	—
Restructuring	39	9	16
Stock-based compensation	20	20	23
Legacy items [d]	4	1	1
Acquisition and divestiture related costs	—	1	—
Value-added tax refund	—	—	(16)
Separation and related costs [e]	—	45	223
Adjusted EBITDA	$ 259	$ 991	$ 942

	Year Ended December 31,		
Adjusted EBITDA	**2020**	**2019**	**2018**
Vacation Ownership	$ 121	$ 756	$ 731
Travel and Membership	191	289	278
Total reportable segments	312	1,045	1,009
Corporate and other [a]	(53)	(54)	(67)
Total Company	$ 259	$ 991	$ 942

(a) Includes the elimination of transactions between segments.
(b) Includes $5 million of bad debt expense related to a note receivable for the year ended December 31, 2020, included in Operating Expenses on the Consolidated Statements of (Loss)/Income.
(c) Reflects severance and other employee costs associated with layoffs due to the COVID-19 workforce reduction offset in part by employee retention credits received in connection with the U.S. CARES Act and similar international programs for wages paid to certain employees despite having operations suspended. This amount does not include costs associated with idle pay.

(d) Represents the resolution of and adjustment to certain contingent liabilities resulting from the Spin-off, the sale of the European vacation rentals business, and the Company's separation from Cendant.
(e) Includes $4 million and $ 105 million of stock-based compensation expenses for the years ended 2019 and 2018.

	Year Ended December 31,	
Segment Assets [a]	**2020**	**2019**
Vacation Ownership	$ 5,009	$ 5,582
Travel and Membership	1,362	1,482
Total reportable segments	6,371	7,064
Corporate and other	1,242	389
Total Company	$ 7,613	$ 7,453

(a) Excludes investment in consolidated subsidiaries.

	Year Ended December 31,		
Capital Expenditures	**2020**	**2019**	**2018**
Vacation Ownership	$ 41	$ 69	$ 66
Travel and Membership	21	27	25
Total reportable segments	62	96	91
Corporate and other	7	12	8
Total Company	$ 69	$ 108	$ 99

The geographic segment information provided below is classified based on the geographic location of the Company's subsidiaries (in millions):

	Year Ended December 31, Net Revenues			Year Ended December 31, Net Long-lived Assets	
	2020	**2019**	**2018**	**2020**	**2019**
United States	$ 1,904	$ 3,513	$ 3,500	$ 1,471	$ 1,497
All other countries	256	530	431	290	296
Total	$ 2,160	$ 4,043	$ 3,931	$ 1,761	$ 1,793

25. Separation and Transaction Costs

During 2019, the Company incurred $45 million of expenses in connection with the Spin-off completed on May 31, 2018, which are reflected within continuing operations. These separation costs were related to stock compensation, severance and other employee costs, as well as impairment charges due to the write-off of right-of-use assets and furniture, fixtures and equipment as a result of the Company abandoning portions of its administrative offices in New Jersey. This decision was part of the Company's continued focus on rationalizing existing facilities in order to reduce its corporate footprint. These expenses also include additional impairment charges associated with the write-off of assets and liabilities related to the early termination of an operating lease in Chicago, Illinois, partially offset by an indemnification receivable from Wyndham Hotels. Refer to Note 13—*Leases* for additional detail regarding these impairments.

During 2018, the Company incurred $223 million of expenses in connection with the Spin-off which are reflected within continuing operations and include related costs of the Spin-off, of which $217 million were related to stock compensation modification expense, severance and other employee costs offset, in part, by favorable foreign currency. In addition, these costs include certain impairment charges related to the separation including property sold to Wyndham Hotels.

Additionally, during 2018, the Company incurred $111 million of separation related expenses in connection with the Spin-off and sale of the European vacation rentals business which are reflected within discontinued operations. These expenses include legal, consulting and auditing fees, stock compensation modification expense, severance and other employee-related costs.

26. COVID-19 Related Items

For the year ended December 31, 2020, the Company incurred $88 million of expenses directly related to COVID-19 which are included within COVID-19 related costs on the Consolidated Statements of (Loss)/Income and $297 million of additional items directly related to COVID-19 that are reflected elsewhere on the Consolidated Statements of (Loss)/Income as displayed in the table below (in millions):

	Vacation Ownership	Travel and Membership	Corporate	Consolidated	Income Statement Classification
Allowance for loan losses:					
Provision	$ 205	$ —	$ —	$ 205	Vacation ownership interest sales
Recoveries	(48)	—	—	(48)	Cost of vacation ownership interests
Employee compensation related and other	65	9	14	88	COVID-19 related costs
Asset impairments	21	34	1	56	Asset impairments/Operating expenses
Exchange inventory write-off	—	48	—	48	Operating expenses
Lease-related	14	22	—	36	Restructuring
Total COVID-19	$ 257	$ 113	$ 15	$ 385	

Allowance for loan losses - During 2020, the Company evaluated the potential impact of COVID-19 on its owners' ability to repay their contract receivables and as a result of higher unemployment, the Company increased its loan loss allowance. This was reflected as a $205 million reduction to Vacation ownership interest sales and a $48 million reduction to Cost of vacation ownership interests on the Consolidated Statements of (Loss)/Income. The net negative impact of the additional provision related to COVID-19 on Adjusted EBITDA was $157 million for the year ended December 31, 2020. The Company will continue to monitor this reserve as more information becomes available. Refer to Note 10—*Vacation Ownership Contract Receivables* for additional details.

Employee Compensation Related and Other - These costs included $97 million related to severance and other employee costs resulting from the layoffs, salary and benefits continuation for certain employees while operations were suspended, and vacation payments associated with furloughed employees, $17 million related to professional fees and expenses related to renegotiating or exiting certain agreements; partially offset by $26 million of employee retention credits earned in connection with government programs, primarily the CARES Act.

A reduction in workforce in March resulted in the layoff or furlough of approximately 9,000 employees, with an additional 1,400 of furloughs during the remainder of the year. As of December 31, 2020, there were approximately 5,300 employees that were laid off or remained furloughed.

As of December 31, 2020, the Company had liabilities of $6 million for COVID-19 employee-related costs included within Accrued expenses and other liabilities on the Consolidated Balance Sheets. The activity associated with the Company's COVID-19 related liabilities is summarized as follows (in millions):

	Liability as of December 31, 2019	Costs Recognized [a]	Cash Payments	Other [b]	Liability as of December 31, 2020
COVID-19 employee-related	$ —	$ 71	$ (64)	$ (1)	$ 6
Ending balance	$ —	$ 71	$ (64)	$ (1)	$ 6

(a) These charges consisted of (i) $ 54 million at the Vacation Ownership segment, (ii) $ 8 million at the Travel and Membership segment, and (iii) $ 9 million at the Company's corporate operations during 2020.

(b) Includes employee-related write-offs.

Asset Impairments - During 2020, the Company incurred $56 million of COVID-19 related impairments, including $51 million recorded within Asset Impairments and $5 million included in Operating expenses on the Consolidated Statements of (Loss)/Income. Refer to Note 27 —*Impairments and Other Charges* for additional details.

Exchange Inventory write-off - During 2020, the Company wrote-off $48 million of exchange inventory as discussed in Note 11—*Inventory.*

Lease-Related - During 2020, the Company also recognized $36 million of COVID-19 related charges including $22 million related to the New Jersey lease discussed in Note 28—*Restructuring* and $12 million related to the renegotiation of an agreement.

27. Impairments and Other Charges

Impairments

During 2020, the Company recorded $52 million of asset impairments, $51 million which were COVID-19 related. In the first quarter of 2020, there were $6 million of impairments at the Vacation Ownership segment related to prepaid development costs and undeveloped land and $4 million at the Travel and Membership segment related to the Love Home Swap trade name. In the second quarter, the Company recorded a $24 million impairment at the Travel and Membership segment related to the New Jersey lease discussed in Note 28—*Restructuring* and the associated furniture, fixtures and equipment, a $6 million impairment for equity investments held at the Travel and Membership segment, and a $3 million impairment at the Vacation Ownership segment related to lease assets and furniture, fixtures and equipment. During the third quarter, $6 million of impairments were driven by right-to-use leases and related fixed assets within the Vacation Ownership operating segment due to sales center closures. During the fourth quarter, there was $1 million of impairments at the Vacation Ownership segment and $1 million of impairments at the corporate segment. These impairments are recorded within Asset impairments on the Consolidated Statements of (Loss)/Income. In addition to the COVID-19 related impairments mentioned above, the Company also recorded an additional $1 million of impairment charges at the Vacation Ownership segment that were unrelated to COVID-19.

During 2019, the Company sold certain property for $52 million in cash and a note receivable of $4 million. The Company recorded a loss of $27 million, which is recorded within Asset impairments on the Consolidated Statements of (Loss)/Income.

During 2018, the Company sold a property which was previously impaired by $27 million as part of a fair value assessment on land held for VOI development. The Company received net proceeds of $11 million, resulting in a gain on sale of $8 million, which is included within Asset impairments on the Consolidated Statements of (Loss)/Income. Also, as a result of changes in market conditions, the Company updated its long-term development goals during 2018 which resulted in $4 million of additional impairment charges on previously impaired properties. This additional impairment expense and the aforementioned reversal, resulted in a net impairment reversal of $4 million during 2018.

Other Charges

Refer to Note 25—*Separation and Transaction Costs,* for discussion of the additional 2019 and 2018 impairments associated with the Spin-off.

28. Restructuring

2020 Restructuring Plans

During 2020, the Company recorded $37 million of restructuring charges, $36 million which were COVID-19 related. Due to the impact of COVID-19, the Company decided in the second quarter of 2020 to abandon the remaining portion of its administrative offices in New Jersey. The Company was notified in the second quarter that Wyndham Hotels exercised its early termination rights under the sublease agreement. As a result, the Company recorded $22 million of restructuring charges associated with non-lease components of the office space and $24 million of impairment charges associated with the write-off of right-of-use assets and furniture, fixtures and equipment at its Travel and Membership segment. The Company also recognized $12 million of lease-related charges due to the renegotiation of an agreement and $2 million of facility-related restructuring charges associated with closed sales centers at its Vacation Ownership segment. The Travel and Membership segment additionally recognized $1 million in employee related expenses associated with the consolidation of a shared service center. The Company reduced the 2020 restructuring liability by $12 million of cash payments during 2020. The remaining 2020 restructuring liability of $25 million is expected to be paid by the end of 2029.

2019 Restructuring Plans

During 2019, the Company recorded $5 million of charges related to restructuring initiatives, most of which are personnel-related resulting from a reduction of approximately 100 employees. This action is primarily focused on enhancing organizational efficiency and rationalizing operations. The charges consisted of (i) $2 million at the Vacation Ownership segment, (ii) $2 million at the Travel and Membership segment, and (iii) $1 million at the Company's corporate operations. During 2020, the Company incurred an additional $1 million of restructuring expenses at both the Travel and Membership segment and its corporate operations. The Company reduced its restructuring liability by $5 million and $1 million of cash payments during 2020 and 2019. The remaining 2019 restructuring liability of less than $1 million is expected to be paid by the end of 2021.

2018 Restructuring Plans

During 2018, the Company recorded $16 million of charges related to restructuring initiatives, all of which are personnel-related resulting from a reduction of approximately 500 employees. This action was primarily focused on enhancing organizational efficiency and rationalizing operations. The charges consisted of (i) $11 million at the Vacation Ownership segment, (ii) $4 million at the Travel and Membership segment, and (iii) $1 million at the Company's corporate operations. During 2019, the Company incurred an additional $3 million of restructuring expenses at its Vacation Ownership segment and an additional $1 million at its corporate operations related to these restructuring activities. The Company reduced its restructuring liability by $3 million, $13 million, and $4 million of cash payments during 2020, 2019, and 2018. The remaining 2018 restructuring liability of less than $1 million is expected to be paid by the end of 2021.

The activity associated with all of the Company's restructuring plans is summarized by category as follows (in millions):

	Liability as of December 31, 2017	2018 Activity: Costs Recognized	2018 Activity: Cash Payments	Liability as of December 31, 2018
Personnel-related	$ 4	$ 16	$ (8)	$ 12
Facility-related	1	—	(1)	—
	$ 5	$ 16	$ (9)	$ 12

	Liability as of December 31, 2018	2019 Activity: Costs Recognized	2019 Activity: Cash Payments	Liability as of December 31, 2019
Personnel-related	$ 12	$ 9	$ (14)	$ 7
	$ 12	$ 9	$ (14)	$ 7

	Liability as of December 31, 2019	2020 Activity: Costs Recognized	2020 Activity: Cash Payments	Liability as of December 31, 2020
Personnel-related	$ 7	$ 3	$ (9)	$ 1
Facility-related	—	24	(1)	23
Marketing-related	—	12	(10)	2
	$ 7	$ 39	$ (20)	$ 26

29. Transactions with Former Parent and Former Subsidiaries

Matters Related to Cendant

Pursuant to the Separation and Distribution Agreement with Cendant (the Company's former parent company), the Company entered into certain guarantee commitments with Cendant and Cendant's former subsidiary, Realogy. These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and Cendant contingent and other corporate liabilities, of which Wyndham Worldwide Corporation ("Wyndham Worldwide") assumed 37.5% of the responsibility while Cendant's former subsidiary Realogy is responsible for the remaining 62.5%. As a result of the Wyndham Worldwide separation, Wyndham Hotels agreed to retain one-third of Cendant's contingent and other corporate liabilities and associated costs; therefore, Travel + Leisure is effectively responsible for 25% of such matters subsequent to the separation. Since Cendant's separation, Cendant has settled the majority of the lawsuits that were pending on the date of the separation.

As of December 31, 2020, the Cendant separation and related liabilities of $13 million are comprised of $12 million for tax related liabilities and $1 million for other contingent and corporate liabilities. As of December 31, 2019, the Company had $13 million of Cendant separation-related liabilities. These liabilities are included within Accrued expenses and other liabilities on the Consolidated Balance Sheets.

Matters Related to Wyndham Hotels

In connection with the Spin-off on May 31, 2018, Travel + Leisure entered into several agreements with Wyndham Hotels that govern the relationship of the parties following the separation including the Separation and Distribution Agreement, the Employee Matters Agreement, the Tax Matters Agreement, the Transition Services Agreement and the License, Development and Noncompetition Agreement.

On January 4, 2021, the Company and Wyndham Hotels entered into a letter agreement pursuant to which, among other things Wyndham Hotels waived its right to enforce certain noncompetition covenants in the License, Development and Noncompetition Agreement.

In accordance with the agreements governing the relationship between Travel + Leisure and Wyndham Hotels, Travel + Leisure assumed two-thirds and Wyndham Hotels assumed one-third of certain contingent corporate liabilities of the Company incurred prior to the distribution, including liabilities of the Company related to certain terminated or divested businesses, certain general corporate matters, and any actions with respect to the separation plan. Likewise, Travel + Leisure is entitled to receive two-thirds and Wyndham Hotels is entitled to receive one-third of the proceeds from certain contingent corporate assets of the Company arising or accrued prior to the distribution.

During 2018, the Company conveyed the lease for its former corporate headquarters located in Parsippany, New Jersey, to Wyndham Hotels, which resulted in the removal of a $66 million capital lease obligation and a $43 million asset from the Consolidated Balance Sheets.

Travel + Leisure entered into a transition service agreement with Wyndham Hotels, pursuant to which the companies agreed to provide each other certain transitional services including human resources, facilities, payroll, tax, information technology, information management and related services, treasury, finance, sourcing, and employee benefits administration on an interim, transitional basis. During 2020, transition service agreement expenses of less than $1 million were included in General and administrative expense. During 2019, transition service agreement expenses of $3 million were included in General and administrative expense, and $2 million were included in Separation and related costs on the Consolidated Statements of (Loss)/Income. Transition service agreement income of $1 million in 2019 was included in Other revenue on the Consolidated Statements of (Loss)/Income. During 2018, transition service agreement expenses were $8 million and transition service agreement income was $6 million. As of December 31, 2020, these transition services have ended.

As a result of the sale of the North American vacation rentals business to Vacasa, the Company paid Wyndham Hotels $5 million for a trade name royalty buy-out. The related expense was recorded as a reduction to Gain on sale of business on the Consolidated Statements of (Loss)/Income.

Matters Related to the European Vacation Rentals Business

In connection with the sale of the Company's European vacation rentals business to Awaze Limited ("Awaze"), formerly Compass IV Limited, an affiliate of Platinum Equity, LLC, the Company and Wyndham Hotels agreed to certain post-

closing credit support for the benefit of certain credit card service providers, a British travel association, and certain regulatory authorities to allow them to continue providing services or regulatory approval to the business. Post-closing credit support may be called if the business fails to meet its primary obligation to pay amounts when due. Awaze has provided an indemnification to Travel + Leisure in the event that the post-closing credit support is enforced or called upon. Such post-closing credit support included a guarantee of up to $180 million which expired June 30, 2019.

At closing, the Company agreed to provide additional post-closing credit support to a British travel association and regulatory authority. An escrow was established at closing, of which $46 million was subsequently released in exchange for a secured bonding facility and a perpetual guarantee denominated in pound sterling of $46 million. The estimated fair value of the guarantee was $22 million at December 31, 2020. The Company established a $7 million receivable from Wyndham Hotels for its portion of the guarantee.

During 2019, the Company reached an agreement with Awaze on certain post-closing adjustments, resulting in a reduction of proceeds by $7 million. In accordance with the separation agreement, the Company and Wyndham Hotels agreed to share two-thirds and one-third, in the European vacation rentals business' final net proceeds (as defined by the sales agreement). The Company paid $40 million to Wyndham Hotels in 2019 for certain items including the return of the escrow, post-closing adjustments, transaction expenses, and estimated taxes.

The Company also deposited $5 million into an escrow account for which all obligations ceased to exist on May 9, 2019. The escrow was returned to the Company in May 2019.

In addition, the Company agreed to indemnify Awaze against certain claims and assessments, including income tax, value-added tax and other tax matters, related to the operations of the European vacation rentals business for the periods prior to the transaction. The estimated fair value of the indemnifications was $40 million at December 31, 2020. The Company has a $13 million receivable from Wyndham Hotels for its portion of the guarantee.

During 2020, the Company recorded a $2 million loss on disposal resulting from a tax audit, net of Wyndham Hotels' one-third share related to the European vacation rentals business. This additional expense was included within (Loss)/gain on disposal of discontinued businesses, net of income taxes on the Consolidated Statements of (Loss)/Income.

Wyndham Hotels provided certain post-closing credit support primarily for the benefit of a British travel association in the form of guarantees which are mainly denominated in pound sterling of up to an approximate $81 million on a perpetual basis. These guarantees totaled $39 million at December 31, 2020. Travel + Leisure is responsible for two-thirds of these guarantees.

As part of this agreement Wyndham Hotels is required to maintain minimum credit ratings which increased to Ba1 for Moody's and BB+ for S&P on May 9, 2020. In April 2020, S&P downgraded Wyndham Hotels' credit rating from BB+ to BB. Although any ultimate exposure relative to indemnities retained from the European vacation rentals sale will be shared two-thirds by Travel + Leisure and one-third by Wyndham Hotels, as the selling entity, Travel + Leisure is responsible for administering additional security to enhance corporate guarantees in the event either company falls below a certain credit rating threshold. As a result of the Wyndham Hotels credit ratings downgrade, during the third quarter, the Company posted a £58 million surety bond and a £36 million letter of credit ($79 million and $48 million as of December 31, 2020) which will be maintained until such time that either companies' S&P and Moody's credit rating improves to BB+/Ba1.

The estimated fair value of the guarantees and indemnifications for which Travel + Leisure is responsible related to the sale of the European vacation rentals business at December 31, 2020, including the two-thirds portion related to guarantees provided by Wyndham Hotels, totaled $90 million and was recorded in Accrued expenses and other liabilities and total receivables of $21 million were included in Other assets on the Consolidated Balance Sheets, representing the portion of these guarantees and indemnifications for which Wyndham Hotels is responsible.

During 2019, Awaze proposed certain post-closing adjustments of $44 million which could serve to reduce the net consideration received from the sale of the European vacation rentals business. The Company finds no basis for such adjustments, and at this time the Company cannot reasonably estimate the probability or amount of the potential liability that may be owed to Awaze, if any. Any potential liability would be shared two-thirds and one-third between the Company and Wyndham Hotels and the impact would be included in discontinued operations. After the close of the second quarter, Awaze filed its claim with the high courts of England and Wales. The Company filed its defense on September 25, 2020, setting forth its disagreement with the claim and rebuttal of any obligation for the amounts claimed.

Travel + Leisure entered into a transition service agreement with Awaze, pursuant to which the companies agreed to provide each other certain transitional services including human resources, facilities, payroll, tax, information technology, information management and related services, treasury, finance, and sourcing on an interim, transitional basis. During 2020, transition service agreement expenses were less than $1 million and transition service agreement income was less than $1 million. During 2019, transition service agreement expenses were $2 million and transition service agreement income was $2 million. During 2018, transition service agreement expenses were $3 million and transition service agreement income was $3 million. Transition service agreement expenses were included in General and administrative expense and transition service income was included in Net revenues on the Consolidated Statements of (Loss)/Income. As of September 30, 2020, these transition services have ended.

Matters Related to the North American Vacation Rentals Business

In connection with the sale of the North American vacation rentals business, the Company agreed to indemnify Vacasa against certain claims and assessments, including income tax and other tax matters related to the operations of the North American vacations rentals business for the periods prior to the transaction. The estimated fair value of the indemnifications was $2 million, which was included in Accrued expenses and other liabilities on the Consolidated Balance Sheet as of December 31, 2020.

In connection with the sale of the North American vacations rentals business in the fourth quarter of 2019, the Company entered into a transition service agreement with Vacasa, pursuant to which the companies agreed to provide each other certain transitional services including human resources, facilities, payroll, information technology, information management and related services, treasury, and finance on an interim, transitional basis. During 2020, transition service agreement expenses were $1 million and transition service agreement income was $2 million. During 2019, transition service agreement expenses were $3 million and transition service agreement income was $3 million. Transition service agreement expenses were included in General and administrative expense and transition service income was included in Other revenue on the Consolidated Statements of (Loss)/Income.

30. Selected Quarterly Financial Data - (unaudited)

Provided below is selected unaudited quarterly financial data for 2020.

	2020 [a]			
(in millions, except per share data)	**First**	**Second**	**Third**	**Fourth**
Net revenues	$ 558	$ 343	$ 614	$ 645
Total expenses	699	457	550	560
Operating (loss)/income	(141)	(114)	64	85
Net (loss)/income from continuing operations	(134)	(164)	40	4
(Loss) on disposal of discontinued business, net of income taxes	—	—	—	(2)
Net (loss)/income attributable to Travel + Leisure shareholders	(134)	(164)	40	2
Basic earnings/(loss) per share				
Continuing operations	$ (1.54)	$ (1.92)	$ 0.47	$ 0.05
Discontinued operations	—	—	—	(0.02)
	$ (1.54)	$ (1.92)	$ 0.47	$ 0.03
Diluted earnings/(loss) per share				
Continuing operations	$ (1.54)	$ (1.92)	$ 0.47	$ 0.05
Discontinued operations	—	—	—	(0.02)
	$ (1.54)	$ (1.92)	$ 0.47	$ 0.03
Weighted average shares outstanding				
Basic	86.9	85.4	85.9	86.1
Diluted	86.9	85.4	86.1	86.6

Note: The sum of the quarters may not agree to the Consolidated Statements of (Loss)/Income for the year ended December 31, 2020 due to rounding.
[a] The results of operations for 2020 include impacts related to COVID-19. See Note 26— *COVID-19 Related Items* for additional details.

Provided below is selected unaudited quarterly financial data for 2019.

	2019			
(in millions, except per share data)	**First [(a)]**	**Second [(a)]**	**Third [(a)]**	**Fourth**
Net revenues	$ 918	$ 1,039	$ 1,105	$ 981
Total expenses	778	841	891	790
Gain on sale of business	—	—	—	(68)
Operating income	140	198	214	259
Net income from continuing operations	81	118	135	155
(Loss)/gain on disposal of discontinued business, net of income taxes	(1)	6	—	12
Net income attributable to Travel + Leisure shareholders	80	124	135	167
Basic earnings per share				
Continuing operations	$ 0.86	$ 1.27	$ 1.48	$ 1.73
Discontinued operations	(0.01)	0.06	—	0.14
	$ 0.85	$ 1.33	$ 1.48	$ 1.87
Diluted earnings per share				
Continuing operations	$ 0.85	$ 1.26	$ 1.47	$ 1.73
Discontinued operations	—	0.06	—	0.14
	$ 0.85	$ 1.32	$ 1.47	$ 1.87
Weighted average shares outstanding				
Basic	94.4	93.0	91.7	89.5
Diluted	94.7	93.3	92.0	89.8

Note: The sum of the quarters may not agree to the Consolidated Statements of (Loss)/Income for the year ended December 31, 2019 due to rounding.

(a) The Company sold its North American vacation rentals business on October 22, 2019. This business did not meet the criteria to be classified as a discontinued operation; therefore, its results of operations are reflected within continuing operations through the date of sale.

31. Related Party Transactions

During the fourth quarter of 2020, the Company sold parcels of land in Shawnee, Pennsylvania, that are no longer core to the Company's operations to a former executive of the Company for less than $1 million.

In March 2019, the Company entered into an agreement with a former executive of the Company whereby the former executive through an SPE would develop and construct VOI inventory located in Orlando, Florida. On July 8, 2020, the Company acquired the completed vacation ownership property for $45 million.

In August 2018, the Company provided notification to the owner trustee of the Company's leased aircraft of its intent to exercise the purchase option for such aircraft at fair market value. In connection with that purchase, the Company entered into an agreement to sell the Company aircraft to its former CEO and current Chairman of the Board of Directors at a price equivalent to the purchase price. In January 2019, the transaction to purchase the aircraft and sell the aircraft for $16 million was closed. The Company occasionally sublets this aircraft for business travel through a timesharing arrangement, and incurred less than $1 million of expenses in 2020 and 2019.

32. Subsequent Events

On January 5, 2021, Wyndham Destinations, Inc. acquired the Travel + Leisure brand from Meredith Corporation for $100 million, with $35 million paid at closing and trailing payments to be completed by June 2024. In addition, Wyndham Destinations, Inc. agreed to a five-year marketing commitment across Meredith's portfolio of brands.

In connection with this acquisition, on February 17, 2021, Wyndham Destinations, Inc. was renamed Travel + Leisure Co. and will continue to trade on the New York Stock Exchange under the new ticker symbol TNL. The new Travel + Leisure Co. will continue to maintain its current portfolio of brands and products, with Vacation Ownership now serving as the

umbrella brand for its vacation club resorts, and with Travel and Membership operating the exchange, membership travel, and technology businesses.

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, 2020. In making this assessment, management used the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management believes that, as of December 31, 2020, 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, see Item 8 —*Report of Independent Registered Public Accounting Firm* of this Annual Report on Form 10-K.

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.

As a result of COVID-19, most of our employees began working remotely in late March 2020. We have not identified any material changes in our disclosure controls and procedures, nor our internal control over financial reporting as a result of this change. We are continually monitoring and assessing the COVID-19 situation to minimize the impact on the design and operating effectiveness of our internal controls.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information concerning Executive Officers required by this item is located under the headings “Governance of the Company” and “Executive Officers of the Company” in the Proxy Statement for our 2021 Annual Meeting of Shareholders and is incorporated herein by reference.

Information concerning Directors required by this item is located under the headings “Election of Directors” and “Nominations for Elections to the Board” in the Proxy Statement for our 2021 Annual Meeting of Shareholders and is incorporated herein by reference.

Information concerning the Audit Committee and the Code of Conduct and Business Ethics required by this item is located under the headings “Governance of the Company” and “Code of Business Conduct and Ethics” in the Proxy Statement for our 2021 Annual Meeting of Shareholders and is incorporated herein by reference.

The Board maintains a Code of Business Conduct and Ethics for Directors with ethics guidelines specifically applicable to Directors. In addition, we maintain a Code of Conduct applicable to all our associates, including our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer.

We will disclose on our website any amendment to or waiver from a provision of our Code of Business Conduct and Ethics for Directors or Code of Conduct as may be required and within the time period specified under the applicable Securities and Exchange Commission and New York Stock Exchange rules. The Code of Business Conduct and Ethics for Directors and our Code of Conduct are available on the Investor Relations page of our website at investor.travelandleisureco.com by clicking on the “Governance” link followed by the “Governance Documents” link. Copies of these documents may also be obtained free of charge by writing to our Corporate Secretary.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is included in the Proxy Statement for our 2021 Annual Meeting of Shareholders under the captions “Compensation of Directors,” “Executive Compensation” and “Committees of the Board,” and is incorporated herein by reference.

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

Equity Compensation Plan Information as of December 31, 2020

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	4.6 million[(a)]	$43.65[(b)]	11.9 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 appreciation rights, non-qualified stock options, performance-vested restricted stock units, and restricted stock units.

(b) Consists of weighted-average exercise price of outstanding stock-settled appreciation rights and non-qualified stock options. The weighted-average exercise price does not reflect the shares that will be issued in connection with the settlement of performance-vested restricted stock units or restricted stock units, as these units have no exercise price.

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

The remaining information required by Item 12 is included in the Proxy Statement for our 2021 Annual Meeting of Shareholders under the caption “Ownership of Company Stock” and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by Item 13 is included in the Proxy Statement for our 2021 Annual Meeting of Shareholders under the captions “Related Party Transactions” and “Governance of the Company,” and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 is included in the Proxy Statement for our 2021 Annual Meeting of Shareholders under the captions “Disclosure About Fees” and “Pre-Approval of Audit and Non-Audit Services,” and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this report:

(1) Financial Statements.

The following consolidated financial statements of Travel + Leisure Co. and its subsidiaries are filed as part of this report under Item 8 — Financial Statements and Supplementary Data:

(2) Financial Schedules.

The financial statement schedule entitled "Schedule II – Valuation and Qualifying Accounts" has been omitted since the information required is included in the consolidated financial statements and notes thereto. Other schedules are omitted because they are not required.

(3) Exhibits.

See Exhibit Index commencing on page 131 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.

Exhibit Index

Exhibit 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).

2.5	Separation and Distribution Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed June 4, 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	Certificate of Amendment to Certificate of Incorporation of Wyndham Worldwide Corporation effective as of May 31, 2018 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed June 4, 2018).
3.3	Certificate of Amendment to Restated Certificate of Incorporation of Wyndham Destinations, Inc., effective as of February 17, 2021(incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed February 17, 2021).
3.4	Third Amended and Restated Bylaws of Travel + Leisure Co., effective as of February 17, 2021 (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K filed February 17, 2021).
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	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).
4.6	Form of 5.625% Senior Notes due 2021 (included within Exhibit 4.5).
4.7	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).
4.8	Form of 4.25% Senior Notes due 2022 (included within Exhibit 4.7).
4.9	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).
4.10	Form of 4.25% Senior Notes due 2022 (included within Exhibit 4.9).
4.11	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).
4.12	Form of 3.90% Senior Notes due 2023 (included within Exhibit 4.11).
4.13	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).
4.14	Form of 5.100% Notes due 2025 (included within Exhibit 4.13).
4.15	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).
4.16	Form of 4.150% Senior Notes due 2024 (included within Exhibit 4.15).
4.17	Form of 4.500% Senior Notes due 2027 (included within Exhibit 4.15).
4.18	Indenture, dated December 13, 2019, between Wyndham Destinations, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed December 13, 2019).
4.19	First Supplemental Indenture, dated December 13, 2019, between Wyndham Destinations, Inc. and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2030 (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed December 13, 2019).
4.20	Form of 4.625% Senior Note due 2030 (included within Exhibit 4.19)

4.21	Second Supplemental Indenture, dated July 24, 2020, between Wyndham Destinations, Inc. and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed July 24, 2020).
4.22	Form of 6.625% Senior Note due 2026 (included within Exhibit 4.21).
4.23*	Description of Registrant's Securities
10.1	Credit Agreement, dated as of May 31, 2018, among Wyndham Destinations, Inc., the guarantors party thereto from time to time, Bank of America, N.A., as Administrative and Collateral Agent, and the lenders party thereto (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K filed June 4, 2018).
10.2	First Amendment, dated as of July 15, 2020, to the Credit Agreement, dated as of May 31, 2018, among Wyndham Destinations, Inc., the several lenders and letter of credit issuers from time to time party thereto, Bank of America, N.A., as administrative agent, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed July 20, 2020).
10.3	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).
10.4	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).
10.5	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).
10.6	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).
10.7	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).
10.8	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).
10.9	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).
10.10	Eighth Amendment, dated as of April 6, 2018, 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 10.5 to the Registrant's Form 10-Q filed May 2, 2018).
10.11	Ninth Amendment, dated as of April 24, 2019, 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 10.10 to the Registrant's Form 10-Q filed May 1, 2019).
10.12*	Tenth Amendment, dated as of October 27, 2020, 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.

10.13	Share Sale Agreement, by and among Wyndham Destination Network, LLC, the other Sellers named therein, and Compass IV Limited, dated as of March 27, 2018 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-K filed on May 2, 2018).
10.14	Amendment and Restatement Deed to Sale and Purchase Agreement, dated as of May 9, 2018, by and among Wyndham Destination Network, LLC, certain subsidiaries of Wyndham Worldwide Corporation and Compass IV Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed May 11, 2018).
10.15†	Letter Agreement, dated as of June 1, 2018, by and between Wyndham Destinations, Inc. and Stephen P. Holmes (incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K filed June 4, 2018).
10.16†	Separation and Release Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Stephen P. Holmes (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K filed June 4, 2018).
10.17†	Employment Agreement dated as of June 1, 2018, by and between Wyndham Destinations, Inc. and Michael D. Brown (incorporated by reference to Exhibit 10.11 to the Registrant's Form 8-K filed June 4, 2018).
10.18†	Employment Agreement, dated as June 1, 2018, by and between Wyndham Destinations, Inc. and Michael Hug (incorporated by reference to Exhibit 10.12 to the Registrant's Form 8-K filed June 4, 2018).
10.19†	Letter Agreement, dated as March 22, 2018, by and between Wyndham Vacation Ownership, Inc. and Elizabeth E. Dreyer (incorporated by reference to Exhibit 10.13 to the Registrant's Form 8-K filed June 4, 2018).
10.20†	Letter Agreement dated as of May 16, 2018, by and between Wyndham Destinations, Inc. and Geoffrey Richards (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed May 1, 2019).
10.21†	Letter Agreement dated as of May 16, 2018, by and between Wyndham Destinations, Inc. and Jeffrey Myers (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q filed May 1, 2019).
10.22†	Letter Agreement dated as of May 16, 2018, by and between Wyndham Destinations, Inc. and James Savina (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q filed May 1, 2019).
10.23†	Letter Agreement dated as of May 16, 2018, by and between Wyndham Destinations, Inc. and Noah Brodsky (incorporated by reference to Exhibit 10.21 to the Registrant's Form 10-K filed February 26, 2020).
10.24*†	Letter Agreement, dated as of May 16, 2018, by and between Wyndham Destinations, Inc. and Brad Dettmer.
10.25*†	Severance Agreement dated as of May 4, 2020 by and between Wyndham Destinations, Inc. and Brad Dettmer.
10.26*†	Consulting Agreement, dated as of June 16, 2020, by and between Wyndham Destinations, Inc. and Brad Dettmer.
10.27†	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).
10.28†	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).
10.29†	Amended and Restated Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (amended and restated as of March 1, 2018) (incorporated by reference to Appendix A to Wyndham Worldwide Corporation's definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on April 6, 2018).
10.30*†	Amended and Restated Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (amended and restated as of November 3, 2020).
10.31†	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).
10.32†	Form of Award Agreement for Restricted Stock Units for U.S. Employees, dated June 1, 2018 (incorporated by reference to Exhibit 10.52 to the Registrant's Form 10-K filed February 26, 2019).
10.33†	Form of Award Agreement for Restricted Stock Units for Non-U.S. Employees, dated June 1, 2018 (incorporated by reference to Exhibit 10.53 to the Registrant's Form 10-K filed February 26, 2019).
10.34†	Form of Award Agreement for Non-Qualified Stock Options, dated June 1, 2018 (incorporated by reference to Exhibit 10.54 to the Registrant's Form 10-K filed February 26, 2019).
10.35†	Form of Award Agreement for Restricted Stock Units for Non-Employee Directors, dated as of June 1, 2018 (incorporated by reference to Exhibit 10.55 to the Registrant's Form 10-K filed February 26, 2019).
10.36†	Form of Award Agreement for Restricted Stock Units for Non-Employee Directors, dated March 7, 2019 (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q filed May 1, 2019).
10.37†	Form of Award Agreement for Restricted Stock Units for U.S. Employees, dated March 7, 2019 (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-Q filed May 1, 2019).

10.38†	Form of Award Agreement for Restricted Stock Units for Non-U.S. Employees, dated March 7, 2019 (incorporated by reference to Exhibit 10.7 to the Registrant's Form 10-Q filed May 1, 2019).
10.39†	Form of Award Agreement for Non-Qualified Stock Options, dated March 7, 2019 (incorporated by reference to Exhibit 10.8 to the Registrant's Form 10-Q filed May 1, 2019).
10.40†	Form of Award Agreement for Performance Stock Units, dated March 7, 2019 (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-Q filed May 1, 2019).
10.41†	Wyndham Worldwide Corporation Savings Restoration Plan (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K filed July 19, 2006)
10.42†	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)
10.43†	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)
10.44†	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)
10.45†	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)
10.46†	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)
10.47†	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)
10.48†	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)
10.49	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)
10.50	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)
10.51	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)
10.52	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)
10.53	Employee Matters Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed June 4, 2018).
10.54	Transition Services Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed June 4, 2018).
10.55	Tax Matters Agreement, dated as of May 31, 2018, by and between Wyndham Hotels & Resorts, Inc. and Wyndham Destinations, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed June 4, 2018).
10.56	License, Development and Noncompetition Agreement, dated as of May 31, 2018, by and among Wyndham Destinations, Inc., Wyndham Hotels and Resorts, LLC, Wyndham Hotels & Resorts, Inc., Wyndham Hotel Group Europe Limited, Wyndham Hotel Hong Kong Co. Limited, and Wyndham Hotel Asia Pacific Co. Limited. (incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K filed June 4, 2018).
10.57	Form Indemnification Agreement entered into by Wyndham Destinations, Inc. and its Directors and Executive Officers (incorporated by reference to Exhibit 10.14 to the Registrant's Form 8-K filed June 4, 2018).
10.58†	Wyndham Destinations, Inc. 2018 Employee Stock Purchase Plan (incorporated by reference to Exhibit 99.1 to the Registrant's Form S-8 filed November 16, 2018).
10.59	Purchase Agreement, dated as of December 10, 2019, between Wyndham Destinations, Inc. and J.P. Morgan Securities LLC, as representative of the several initial purchasers named in Schedule II thereto (incorporated by reference to Exhibit 10.56 to the Registrant's Form 10-K filed February 26, 2020).

10.60	Purchase Agreement, dated as of July 20, 2020, between Wyndham Destinations, Inc. and BofA Securities, Inc., as representative of the several initial purchasers named in Schedule II thereto (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed October 28, 2020).
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*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed with this report.
** Furnished with this report.
† Management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

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.

TRAVEL + LEISURE CO.

By: /s/ MICHAEL D. BROWN
Michael D. Brown
President and Chief Executive Officer
Date: February 24, 2021

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/ MICHAEL D. BROWN **Michael D. Brown**	President, Chief Executive Officer and Director (Principal Executive Officer)	February 24, 2021
/s/ MICHAEL A. HUG **Michael A. Hug**	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 24, 2021
/s/ ELIZABETH E. DREYER **Elizabeth E. Dreyer**	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 24, 2021
/s/ STEPHEN P. HOLMES **Stephen P. Holmes**	Chairman of the Board of Directors	February 24, 2021
/s/ LOUISE F. BRADY **Louise F. Brady**	Director	February 24, 2021
/s/ JAMES E. BUCKMAN **James E. Buckman**	Director	February 24, 2021
/s/ GEORGE HERRERA **George Herrera**	Director	February 24, 2021
/s/ DENNY MARIE POST **Denny Marie Post**	Director	February 24, 2021
/s/ RONALD L. RICKLES **Ronald L. Rickles**	Director	February 24, 2021
/s/ MICHAEL H. WARGOTZ **Michael H. Wargotz**	Director	February 24, 2021

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

As of February 17, 2021, Travel + Leisure Co. ("Travel + Leisure") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: 600,000,000 authorized shares of common stock, $0.01 par value per share (the "Common Stock"). Travel + Leisure is also authorized to issue 6,000,000 shares of preferred stock, $0.01 par value per share (the "Preferred Stock").

The following descriptions of the Common Stock and Preferred Stock are summaries and do not purport to be complete. They are subject to and qualified in their entirety by reference to Travel + Leisure's Restated Certificate of Incorporation (the "Certificate of Incorporation") and Travel + Leisure's Second Amended and Restated By-Laws (the "By-Laws"), each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.23 is a part. Travel + Leisure encourages you to read the Certificate of Incorporation, the By-Laws and the applicable provisions of Title 8 of the Delaware General Corporation Law for additional information.

Description of the Common Stock

Dividends

Subject to prior dividend rights of the holders of the Preferred Stock, holders of shares of the Common Stock are entitled to receive dividends when, as and if declared by the Board of Directors (the "Board") out of funds legally available for that purpose.

Voting Rights

Each share of Common Stock is entitled to one vote on all matters submitted to a vote of stockholders. Holders of shares of the Common Stock do not have cumulative voting rights. In other words, a holder of a single share of Common Stock cannot cast more than one vote for each position to be filled on the Board. A consequence of not having cumulative voting rights is that the holders of a majority of the shares of Common Stock entitled to vote in the election of directors can elect all directors standing for election, which means that the holders of the remaining shares will not be able to elect any directors.

Other Rights

In the event of any liquidation, dissolution or winding up of Travel + Leisure, after the satisfaction in full of the liquidation preferences of holders of the Preferred Stock, holders of shares of the Common Stock are entitled to ratable distribution of the remaining assets available for distribution to stockholders. The shares of the Common Stock are not subject to redemption by operation of a sinking fund or otherwise. Holders of shares of the Common Stock are not currently entitled to pre-emptive rights.

Fully Paid

The issued and outstanding shares of the Common Stock are fully paid and non-assessable. This means the full purchase price for the outstanding shares of the Common Stock has been paid and the holders of such shares will not be assessed any additional amounts for such shares. Any additional shares of Common Stock that the Company may issue in the future will also be fully paid and non-assessable.

Transfer Agent and Registrar

Broadridge Corporate Issuer Solutions is the transfer agent and registrar for the Common Stock.

Listing

The Common Stock is traded on the New York Stock Exchange under the trading symbol, "TNL."

Description of the Preferred Stock

The Board, without further action by the holders of the Common Stock, may issue shares of the Preferred Stock. The Board is vested with the authority to fix by resolution the designations, preferences and relative, participating, optional or other special rights, and such qualifications, limitations or restrictions thereof, including, without limitation, redemption rights,

dividend rights, liquidation preference and conversion or exchange rights of any class or series of the Preferred Stock, and to fix the number of classes or series of the Preferred Stock, the number of shares constituting any such class or series and the voting powers for each class or series.

The authority possessed by the Board to issue the Preferred Stock could potentially be used to discourage attempts by third-parties to obtain control of Travel + Leisure through a merger, tender offer, proxy contest or otherwise by making such attempts more difficult or more costly. The Board may issue the Preferred Stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of the Common Stock. There are no current agreements or understandings with respect to the issuance of the Preferred Stock and the Board has no present intention to issue any shares of the Preferred Stock.

Anti-takeover Effects of the Certificate of Incorporation and By-Laws and Delaware Law

Some provisions of the Certificate of Incorporation and By-Laws and of Delaware law could make the following more difficult:

- acquisition of Travel + Leisure by means of a tender offer;
- acquisition of Travel + Leisure by means of a proxy contest or otherwise; or
- removal of Travel + Leisure's incumbent officers and directors.

These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. The provisions summarized below are also designed to encourage persons seeking to acquire control of Travel + Leisure to first negotiate with the Board. Travel + Leisure believes that the benefits of increased protection give it the potential ability to negotiate with the proponent of an unsolicited proposal to acquire or restructure it and outweigh the disadvantages of discouraging those proposals because negotiation of the proposals could result in an improvement of their terms.

Election and Removal of Directors

The Certificate of Incorporation and By-Laws provide that directors will be elected annually for terms expiring at the next succeeding annual meeting. The Board is not classified. At each of the annual meetings of stockholders, the successors of the directors will be elected for a one-year term. The Certificate of Incorporation and By-Laws provide that the directors may be removed with or without cause, only by the affirmative vote of the holders of at least 80% of the voting power of the then outstanding capital stock entitled to vote generally in the election of directors. This system of removing directors may discourage a third party from making a tender offer or otherwise attempting to obtain control of Travel + Leisure because it generally makes it more difficult for stockholders to replace a majority of the Board.

Size of Board and Vacancies

The Certificate of Incorporation and By-Laws provide that the Board may consist of no less than three and no more than fifteen directors. The number of directors on the Board will be fixed exclusively by the Board, subject to the minimum and maximum number permitted by the Certificate of Incorporation and By-Laws. Newly created directorships resulting from any increase in the authorized number of directors will be filled by a majority of the Board then in office, provided that a majority of the entire Board, or a quorum, is present, and any vacancies in the Board resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled generally by the majority vote of the remaining directors in office, even if less than a quorum is present.

Elimination of Stockholder Action by Written Consent

The Certificate of Incorporation and By-Laws expressly eliminate the right of the stockholders to act by written consent. Stockholder action must take place at the annual or a special meeting of the stockholders.

Stockholder Meetings

Under the Certificate of Incorporation and By-Laws, only the chairman of the Board or the chief executive officer may call special meetings of the stockholders.

Requirements for Advance Notification of Stockholder Nominations and Proposals

The By-Laws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of the Board or a committee of the Board.

Delaware Anti-takeover Law

Travel + Leisure is subject to Section 203 of the Delaware General Corporation Law, as amended (the "DGCL"), an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date such person becomes an interested stockholder, unless the business combination or the transaction in which such person becomes an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person that, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the Board and the anti-takeover effect includes discouraging attempts that might result in a premium over the market price for the shares of the Common Stock.

Supermajority Voting

The Certificate of Incorporation provides that amendments to provisions in the Certificate of Incorporation relating to the general powers of the Board, the number, classes and tenure of directors, filling vacancies on the Board, removal of directors, limitation of liability of directors, indemnification of directors and officers, special meetings of stockholders, stockholder action by written consent, the supermajority amendment provision of the By-Laws and the supermajority amendment provision of the Certificate of Incorporation will require the affirmative vote of the holders of at least 80% of the voting power of the shares entitled to vote generally in the election of directors. The Certificate of Incorporation and By-Laws provide that amendments to the By-Laws may be made either (i) by the affirmative vote of the at least a majority of the entire Board or (ii) by the affirmative vote of the holders of at least 80% of the voting power of the shares entitled to vote generally in the election of directors.

No Cumulative Voting

The Certificate of Incorporation and By-Laws do not provide for cumulative voting in the election of directors.

Undesignated Preferred Stock

The authorization in the Certificate of Incorporation of undesignated preferred stock makes it possible for the Board to issue the Preferred Stock with voting or other rights or preferences that could impede the success of any attempt to change control of Travel + Leisure. The provision in the Certificate of Incorporation authorizing such Preferred Stock may have the effect of deferring hostile takeovers or delaying changes of control of the management.

Exclusive Forum

Unless Travel + Leisure consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on its behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by director, officer, other employee or stockholder of Travel + Leisure to Travel + Leisure or Travel + Leisure's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, the Certificate of Incorporation or the By-Laws or (iv) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware or, if such court lacks jurisdiction, any state or federal court in the State of Delaware. Any person or entity purchasing or otherwise acquiring any interest in shares of Travel + Leisure's capital stock is deemed to have notice of and consented to the foregoing provisions of the By-Laws.

Limitation on Liability of Directors and Indemnification of Directors and Officers

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed actions, suit or proceeding, whether civil, criminal, administrative or investigative, in which such person is made a party by reason of the fact that the person is or was a director, officer, employee or agent of the corporation (other than an action by or in the right of the corporation-a "derivative action"), if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with

respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's by-laws, disinterested director vote, stockholder vote, agreement or otherwise.

The Certificate of Incorporation provides that no director shall be liable to Travel + Leisure or Travel + Leisure's stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation on liability is not permitted under the DGCL, as now in effect or as amended. Currently, Section 102(b)(7) of the DGCL requires that liability be imposed for the following:

- any breach of the director's duty of loyalty to Travel + Leisure or Travel + Leisure's stockholders;
- any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; and
- any transaction from which the director derived an improper personal benefit.

The Certificate of Incorporation and By-Laws provide that, to the fullest extent authorized or permitted by the DGCL, as now in effect or as amended, Travel + Leisure will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person is or was a director or officer, or by reason of the fact that a director or officer is or was serving, at Travel + Leisure's request, as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by Travel + Leisure. Travel + Leisure will indemnify such persons against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if such person acted in good faith and in a manner reasonably believed to be in or not opposed to Travel + Leisure's best interests and, with respect to any criminal proceeding, had no reason to believe such person's conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such actions, and court approval is required before there can be any indemnification where the person seeking indemnification has been found liable to Travel + Leisure. Any amendment of this provision will not reduce Travel + Leisure's indemnification obligations relating to actions taken before an amendment.

Travel + Leisure maintains policies that insure its directors and officers and those of its subsidiaries against certain liabilities they may incur in their capacities as directors and officers. Under these policies, the insurer, on Travel + Leisure's behalf, may also pay amounts for which Travel + Leisure has granted indemnification to the directors or officers.

Exhibit 10.12

EXHIBIT A TO TENTH AMENDMENT

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

and

WYNDHAM CONSUMER FINANCE, INC.,

as Servicer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Trustee

and

U.S. BANK NATIONAL ASSOCIATION,

as Collateral Agent

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AMENDED AND RESTATED INDENTURE AND SERVICING AGREEMENT

THIS AMENDED AND RESTATED INDENTURE AND SERVICING AGREEMENT, dated as of October 1, 2010 (this "Amended and Restated Indenture") amends in its entirety the Indenture and Servicing Agreement dated as of November 7, 2008 (the "Original Indenture"), as amended by Amendment No. 1 dated as of October 23, 2009 (the "Amendment No. 1", together with the Original Indenture, the "Amended Indenture"), and is by and among SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING II, 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 duly authorized the execution and delivery of the Original Indenture to provide for the issuance of its loan-backed notes as provided therein.

The Issuer, the Servicer, the Trustee and the Collateral Agent entered into the Amendment No. 1 as of October 23, 2009.

The Issuer, the Servicer, the Trustee and the Collateral Agent desire to amend and restate the Amended Indenture in its entirety as provided herein.

In accordance with (x) Section 15.1(b) of the Amended Indenture, upon the Second Amendment Effective Date (as defined herein) the Required Facility Investors have consented to such amendment and restatement of the Amended Indenture and the Rating Agency Condition has been satisfied, (y) Section 15.1(g) of the Amended Indenture, each Funding Agent has consented to such amendment and restatement of the Amended Indenture and (z) Section 15.16 of the Amended Indenture, the Deal Agent has consented to such amendment and restatement of the Amended Indenture.

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 2008-A Notes, when executed by the Issuer and authenticated and delivered by the Trustee as provided in the Amended Indenture and 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:

1. all Pledged Loans and all Collections, together with all other Pledged Assets;

2. the Collection Account and all money, investment property, instruments and other property credited to, carried in or deposited in the Collection Account;

3. all money, investment property, instruments and other property credited to, carried in or deposited in the Control Account, any Issuer account described in clause (4) of Section 6.1(g) 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;

4. the Reserve Account and all money, investment property, instruments and other property credited to, carried in or deposited in the Reserve Account;

5. the Hedge Agreement and all rights and interests therein and thereto;

6. 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;

7. 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;

8. 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;

9. 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;

10. 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 of the Collateral; and

11. 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 2008-A Notes equally and ratably without prejudice, priority or distinction among any Series 2008-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 2008-A Notes in accordance with their respective terms, (ii) the payment of all other sums payable by the Issuer under this Indenture, the Series 2008-A Notes and the Note Purchase Agreement and (iii) compliance by the Issuer with the provisions of this Indenture and the Series 2008-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.

The Trustee and the Collateral Agent each 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

a. 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" 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 December 2008 Payment Date.

"Acquired Portfolio Loan" shall mean a loan (which shall be a loan, installment contract or other contractual obligation incurred to finance the acquisition of an interest in a vacation property or rights to use vacation properties or otherwise substantially similar to Loans) which a Seller has acquired either by purchase of a portfolio or by acquisition of an entity which owns the portfolio and new loans originated with respect to such entity, program or portfolio during the Transition Period.

"Addition Date" shall mean each date subsequent to the Closing Date on which a security interest is granted in Loans to secure the Series 2008-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 which are Defaulted Loans on the last day of the immediately preceding Due Period, (ii) the Loan Balances of any Pledged Loans which are Delinquent Loans on the last day of the immediately preceding Due Period, (iii) the Loan Balances of any Pledged Loans which are Defective Loans on the last day of the immediately preceding Due Period and (iv) the Loan Balances of any Pledged Loans which 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 November 5, 2008, 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, with respect to any Pledged Loan, the rate set forth in the following chart:

	FICO Score greater than or equal to 600 and less than or equal to 649	FICO Score greater than or equal to 650 and less than or equal to 699	FICO Score greater than or equal to 700 and less than or equal to 749	FICO Score greater than or equal to 750 and less than or equal to 799	FICO Score greater than or equal to 800
Advance Rate for Wyndham Loans	34.25%	47.25%	66.00%	78.50%	85.00%
Advance Rate for Worldmark Loans	70.00%	81.25%	83.25%	96.50%	96.50%

"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 Advance Rate" shall mean, on any date

(a) occurring prior to the October 2020 Amendment Effective Date, 59.5%; and

(b) occurring on or after the October 2020 Amendment Effective Date, the lesser of (x) 85.0% and (y) a fraction, expressed as a percentage, (i) the numerator of which is the the aggregate sum of the products obtained for each Pledged Loan (other than any Pledged Loans included in the Issuer Excluded Excess Amount as of such date) multiplying the Loan Balance of such Pledged Loan by the Advance Rate for such Loan as of such date and (ii) the denominator of which is equal to the Aggregate Loan Balance as of such date;

provided, however, that if an Aggregate Advance Rate Trigger Event has occurred and is continuing as of any Payment Date, the Aggregate Advance Rate on such Payment Date shall be reduced by 450 basis points.

"Aggregate Advance Rate Trigger Event" shall mean, (a) for any Payment Date occurring prior to March 1, 2021, the Three Month Rolling Average Loss to Liquidation Ratio exceeds 23.50% and (b) for any Payment Date on or after March 1, 2021, the Three Month Rolling Average Loss to Liquidation Ratio exceeds 22.50%; provided that an Aggregate Advance Rate Trigger Event shall be deemed to continue until the third consecutive Payment Date on which the Three Month Rolling Average Loss to Liquidation Ratio is less than the applicable threshold set forth in the forgoing clause (a) or (b).

"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.

"Amended and Restated Indenture" shall have the meaning set forth in the preamble.

"Amended Indenture" shall have the meaning set forth in the preamble.

"Amendment No. 1" shall have the meaning set forth in the preamble.

"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 Destinations 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.

"April 2018 Amendment Effective Date" shall mean April 6, 2018.

"August 2013 Amendment Effective Date" shall mean August 29, 2013. "August 2013 NPA Amendment" shall mean the Fourth Amendment to Amended and Restated Note Purchase Agreement dated as of August 29, 2013 which amends the Note Purchase Agreement.

"Authentication Agent" shall mean a Person designated by the Trustee to authenticate Series 2008-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, on any date, 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 Aggregate Advance Rate for such date.

"Borrowing Base Amortization Trigger Amount" shall mean (i) on any Payment Date during any Green Loan Advance Period, the sum of (x) the Borrowing Base on such date and (y) the Green Loan Deficiency Amount on such date, and (ii) on any other Payment Date, the Borrowing Base on such date; provided that if on any Payment Date an Aggregate Advance Rate Trigger Event has occurred and is continuing, but no Aggregate Advance Rate Trigger Event had occurred or was continuing as of the prior Payment Date, then the Borrowing Base Amortization Trigger Amount shall equal the Borrowing Base on such Payment Date calculated without giving effect to the Aggregate Advance Rate Trigger Event; provided further that if such Payment Date occurs during any Green Loan Advance Period, the Borrowing Base Amortization Trigger Amount shall equal the sum of (x) Borrowing Base on such date calculated without giving effect to the decrease in the Aggregate Advance Rate pursuant to the proviso in the definition of Aggregate Advance Rate and (y) the Green Loan Deficiency Amount on such date.

"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.

"California Excess Amount" shall mean on any date, if on the last Business Day the most recently ended Due Period, WRDC has not met the target for qualification of WorldMark Resorts with the California Department of Real Estate as set forth in Section 5.1(c), an amount by which (i) the sum of the Loan Balances on such date for all Pledged Loans which are WRDC California Loans exceeds (ii) five percent (5%) of the Adjusted Loan Balance on such date.

"Capped Monthly Trustee Expenses" shall mean, for any Payment Date, the lesser of (i) the sum of the unreimbursed reasonable expenses incurred by 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; provided, however, that if an Event of Default has occurred and the Series 2008-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 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 (or, with respect to the November 2008 Payment Date and the December 2008 Payment Date, $66,666.67) 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 Destinations.

"Closing Date" shall mean November 10, 2008.

"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 Sixteenth Amendment to the Collateral Agency Agreement

dated as of November 7, 2008, 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 2008-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 2008-A Note on any Payment Date, the sum of (i) the Incremental Program Fee due and payable on such Payment Date with respect to the related Noteholder, (ii) the Incremental Interest for the related Accrual Period with respect to such Series 2008-A Note and (iii) if such Series 2008-A Note is registered in the name of a Funding Agent on behalf of a Purchaser Group, the Step-Up CP Interest for the related Accrual Period with respect to such Purchaser Group.

"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 2008-A Notes on all prior Payment Dates exceeds the amount paid to Noteholders on such prior Payment Dates pursuant to clause NINTH 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.

"Control Agreement" shall mean a control agreement by and among the Issuer, the Trustee, the Collateral Agent, the Servicer 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 MAC N9311-161, Sixth Street and Marquette Avenue, 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 Twentieth Amended and Restated Custodial Agreement, dated as of October 1, 2010, 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, the percentage equivalent of a fraction (i) the numerator of which is equal to the excess, if any, of (a) the aggregate outstanding principal balance of all Pledged Loans that became Defaulted Loans during the related Due Period and were not substituted for or repurchased by the Servicer, the Depositor or a Seller prior to the related Determination Date (with the principal balance of each Pledged Loan determined as of the day immediately preceding the date on which such Pledged Loan became a Defaulted Loan), over (b) all Net Liquidation Proceeds received during such Due Period in respect of such Defaulted Loans that were not substituted for or repurchased by the Servicer, the Depositor or a Seller prior to the related Determination Date 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 any Pledged Loan (a) with any portion of a Scheduled Payment is delinquent more than 90 days, (b) with respect to which the Servicer shall have determined in good faith that the related Obligor will not resume making Scheduled Payments, (c) for which the related Obligor shall have become the subject of a proceeding under a Debtor Relief Law or (d) for which cancellation or foreclosure actions have been commenced.

"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.

"Delayed Completion Green Loans" shall mean, as of any date, the Pledged Loans which are Green Loans and which have been Pledged Loans for 15 months or more and the related Green Timeshare Property is still subject to completion as of such date.

"Delayed Completion Green Loans Excess Amount" shall mean, on any date, the sum of the Loan Balances on such date for all Pledged Loans which were Delayed Completion Green Loans on the last day of the immediately preceding Due Period.

"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 November 7, 2008, as amended by Amendment No. 1 thereto dated as of October 1, 2010, 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 any Payment Date, the immediately preceding calendar month.

"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-U.S. Excess Amount, (ii) the Green Loans Excess Amount, (iii) the Delayed Completion Green Loans Excess Amount, (iv) the New Seller Excess Amount, (v) the Transition Period Excess Amount, (vi) the Large Loans Excess Amount, (vii) the State Concentration Excess Amount, (viii) the Documents in Transit Excess Amount, (ix) the Fixed Week Excess Amount, (x) the Extended Term Excess Amount, (xi) the Presidential Reserve Loan Excess Amount, (xii) the Non-WorldMark Loan Excess Amount, (xiii) the WorldMark Loan FICO Score 650 Excess Amount, (xiv) the Wyndham Loan FICO Score 650 Excess Amount, (xv) the WorldMark Loan FICO Score 700 Excess Amount, (xvi) the Wyndham Loan FICO Score 700 Excess Amount, and (xvii) the California Excess Amount.

"Exchange Notes" shall mean notes issued pursuant to an Exchange Notes Indenture in exchange for Series 2008-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 2008-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.

"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.

"Fixed Week Excess Amount" shall mean, on any date, the amount by which (i) the combined amount of the Loan Balances on such date of all Acquired Portfolio Loans for which the related Timeshare Property consists of a Fixed Week and which is not subject to the FairShare Plus Program and has not been converted and is not convertible into a UDI as of the last day of the immediately preceding Due Period, exceeds (ii) five percent (5%) of the Adjusted Loan Balance on such date.

"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.

"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.

"Green Loan Advance Period" shall mean, with respect to any Rating Downgrade Condition, the period from the last day of the Due Period on which the Rating Downgrade Condition first exists to and including the earlier of (i) the first day on which such Rating Downgrade Condition no longer exists and (ii) the third next succeeding Payment Date.

"Green Loan Deficiency Amount" shall mean, as of any date as of which a Rating Downgrade Condition existed on the last day of the immediately preceding Due Period, the excess of (A) the product of (i) the excess of (a) the sum of the Loan Balances on such date (or, with respect to any such Green Loans that have been released from the Lien of this Indenture pursuant to Section 5.7, the Loan Balance on the date of such release) for all Loans which were Green Loans pledged to the Collateral Agent as Collateral as of the last day of the Due Period in which such Rating Downgrade Condition occurred over (b) the sum of (1) the Green Loans Excess Amount (without taking into account the second sentence of the definition thereof) on such date and (2) the Delayed Completion Green Loans Excess Amount on such date and (ii) the Aggregate Advance Rate over (B) the sum of the amounts distributed to Noteholders pursuant to clause EIGHTH of Section 4.1 on each Payment Date prior to such date.

"Green Loan Deficiency Principal Distribution Amount" shall mean, (i) with respect to any Payment Date as of which a Rating Downgrade Condition existed as of the last day of the related Due Period, an amount equal to the Green Loan Deficiency Amount on such date and (ii) with respect to any Payment Date as of which no Rating Downgrade Condition existed as of the last day of the related Due Period, zero.

"Green Loans Excess Amount" shall mean, on any date, the greater of (x) the amount, if any, by which (i) the sum of the Loan Balances on such date for all Pledged Loans which are Green Loans (not including any Delayed Completion Green Loans) as of the last day of the immediately preceding Due Period exceeds (ii) three percent (3%) of the Adjusted Loan Balance on such date and (y) the sum of the Six-Month Green Loans Excess Amount and the Twelve-Month Green Loans Excess Amount on such date. Notwithstanding the above, on any date as of which a Rating Downgrade Condition existed on the last day of the immediately preceding Due

Period, the Green Loans Excess Amount shall mean the sum of the Loan Balances on such date for all Pledged Loans which are Green Loans (other than any Delayed Completion Green Loans) as of the last day of such Due Period.

"Green Loan Reserve Percentage" for any Payment Date shall mean with respect to any Green Loan:

i. 0% if such Green Loan as of such Payment Date is a Six-Month Green Loan or is a Delayed Completion Green Loan;

ii. 50% if such Green Loan as of such Payment Date is a Twelve-Month Green Loan; and

iii. 100% if such Green Loan as of such Payment Date is a Twelve-Month Plus Green Loan;

provided, however, that, if as of such Payment Date a Twelve-Month Green Loans Excess Amount exists, the Green Loan Reserve Percentage applicable to a portion of the Twelve-Month Green Loans equal to such Twelve-Month Green Loans Excess Amount shall be 0%.

"Green Timeshare Property" shall mean a Timeshare Property the acquisition of which was financed with a Green Loan.

"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 August 29, 2012 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.

"Incremental Interest" shall have the meaning assigned to such term in the Note Purchase Agreement.

"Incremental Program Fee" shall have the meaning assigned to such term in the Fee Letter.

"Indenture" shall mean the Original Indenture, as amended by the Amendment No. 1, and as amended and restated by this Amended and Restated Indenture, as further amended, supplemented, amended and restated or otherwise modified from time to time hereafter in accordance with the terms hereof.

"Initial Advance Date" shall mean the Payment Date on which the first advances are made on the Series 2008-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 October 31, 2008.

"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 2008-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 which 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 II, 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 Limited Liability Agreement of Sierra Timeshare Conduit Receivables Funding II, LLC, dated as of November 5, 2008, 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, Defective Loans, and Defaulted Loans) 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 thirteenth calendar month after the calendar month in which the last 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 October 2037 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 Principal" shall mean, for any Payment Date (i) so long as neither an Amortization Event nor the Termination Date has occurred (x) if on the last day of the immediately preceding Due Period no Rating Downgrade Condition existed, an amount equal to the Principal Distribution Amount for such Payment Date and (y) if on the last day of the immediately preceding Due Period a Rating Downgrade Condition existed, an amount equal to the excess of (1) the Principal Distribution Amount for such Payment Date over (2) the Green Loan Deficiency Principal Distribution Amount for such Payment Date; and (ii) on or after the Termination Date or the occurrence of an Amortization Event, the lesser of the Notes Principal Amount and 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 date.

"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 proceeds of the sale, liquidation or other disposition of the Defaulted Loan and/or related Pledged Assets.

"New Seller" shall mean an entity other than WCF which (a) is a subsidiary of the Parent Corporation, (b) performs its own loan origination and servicing, (c) has entered into a Seller Purchase Agreement as provided in Section 3.5 and, (d) with respect to any Loan Granted under this Indenture has complied with all conditions set forth in Section 3.5.

"New Seller Excess Amount" shall mean, on any date, an amount equal to the sum of (a) the amount by which the sum of the Loan Balances for Pledged Loans that were sold to the Depositor by any one New Seller exceeds 10% of the Adjusted Loan Balance on such date plus, without duplication (b) the amount by which the sum of the Loan Balances for Pledged Loans that were sold to the Depositor by all New Sellers exceeds 15% of the Adjusted Loan Balance on such date.

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

"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-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) 77.5% of the Adjusted Loan Balance on such date.

"Non-U.S. 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.

"Note Purchase Agreement" shall mean the Amended and Restated Note Purchase Agreement dated as of October 1, 2010, which relates to the sale of the Series 2008-A Notes by the Issuer and which 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 2008-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 2008-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 2008-A Note or the Purchaser Group in whose Funding Agent's name such Series 2008-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 2008-A Notes pursuant to Section 2.17 less (ii) the aggregate amount of all principal payments made on the Series 2008-A Notes on or prior to such date less (iii) the principal amount of any Series 2008-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.

"October 2020 Amendment Effective Date" shall mean October 27, 2020.

"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.

"Original Indenture" shall have the meaning set forth in the preamble.

"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 Destinations.

"Paying Agent" shall mean the Trustee or any successor thereto, in its capacity as paying agent for the Series 2008-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 December 15, 2008.

"Performance Guaranty" shall mean that Performance Guaranty dated as of November 7, 2008 given by Wyndham Destinations in favor of the Issuer, the Depositor and the Trustee.

"Performance Guarantor" shall mean Wyndham Destinations.

"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.

"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 an amount equal to the Borrowing Base Shortfall on such Payment Date; provided, however, that for any Payment Date on which (x) the Securitized Pool Three Month Rolling Average Delinquency Percentage exceeds 4.50% or (y) the Securitized Pool Four Month Default Percentage exceeds 0.75%, the Principal Distribution Amount shall be the lesser of (a) the Notes Principal Amount as of such

Payment Date and (b) the excess of (i) 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 (ii) 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 2007-A Notes" shall mean the Premium Yield Facility 2007-A LLC Floating Rate Vacation Timeshare Loan Backed Notes, Series 2007-A.

"Qualified Hedge Provider" shall mean, at any time, any entity which is a counterparty to the Hedge Agreement so long as such entity or its Guarantor has a long-term unsecured debt rating of at least A3 from Moody's and A- from S&P and a short-term unsecured debt rating of at least P-2 from Moody's and A-2 from S&P.

"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 2008-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 2008-A Notes.

"Rating Downgrade Condition" shall mean that two or more of the following conditions have occurred: (i) the senior unsecured debt of Wyndham Destinations is rated below "Ba3" by Moody's, or Moody's has withdrawn its rating of the senior unsecured debt of Wyndham Destinations and has not reinstated a rating of at least "Ba3," (ii) the senior unsecured debt of Wyndham Destinations is rated below "BB-" by S&P, or S&P has withdrawn its rating of the senior unsecured debt of Wyndham Destinations and has not reinstated a rating of at least "BB-" and (iii) the senior unsecured debt of Wyndham Destinations is rated below "BB-" by Fitch, or Fitch has withdrawn its rating of the senior unsecured debt of Wyndham Destinations and has not reinstated a rating of at least "BB-" The occurrence of any Ratings Downgrade Condition shall continue until the date on which the senior unsecured debt of Wyndham Destinations meets or exceeds at least two of the following three ratings: "Ba3" by Moody's, "BB-" by S&P and "BB-" by Fitch.

"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 2008-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 2008-A Loans Rate less 11.80%.

"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 (i) so long as no Amortization Event has occurred, as of any date an amount equal to the sum of (x) 2.0% of the Aggregate Loan Balance

on such date and (y) an amount equal to the sum of the Green Loan Reserve Percentage of the Loan Balance for each Pledged Loan which is a Green Loan multiplied by the applicable Aggregate Advance Rate on such date, and (ii) on and after the first Payment Date following the occurrence of an Amortization Event, the lesser of (x) 0.25% of the Notes Principal Amount as of the date on which the Amortization Event occurred and (y) 50% of the Notes Principal Amount as of such Payment Date before taking into account any distributions of principal on such Payment 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 31, 2018 among Wyndham Destinations, as borrower, the lenders party to the agreement from time to time, the several joint bookrunners and joint lead arrangers party to the agreement from time to time, and Bank of America, N.A., as administrative agent, as amended, restated, replaced or refinanced from time to time.

"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.

"Second Amendment Effective Date" shall have the meaning set forth in Section 15.20 herein.

"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 which are serviced by WCF including the assets in all term issuances, all warehouse facilities (other than the Series 2008-A Notes) and other securitization facilities that are outstanding at any time between the Closing Date and the date on which the Series 2008-A Notes are paid in full excluding PYF 2007-A Notes and any future securitized pool of assets that is not composed of collateral with eligibility requirements generally analogous to those of the Pledged 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 2008-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 2008-A Supplement thereto (the "Existing Seller Purchase Agreement"), (ii) any Master Loan Purchase Agreement (as supplemented by any supplement thereto) to a sale of Loans from a New Seller to the Depositor, which Loans are subsequently sold by the Depositor to the Issuer and (iii) 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 Notes Interest" shall mean, for each Series 2008-A Note on any Payment Date, the excess of (i) the Notes Interest for such Series 2008-A Note on such Payment Date over (ii) the Contingent Subordinated Notes Interest for such Series 2008-A Note on such Payment Date.

"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 2008-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 2008-A Loan" shall mean a Loan that is a Pledged Loan.

"Series 2008-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 2008-A Notes" shall mean the Sierra Timeshare Conduit Receivables Funding II, LLC, Loan-Backed Variable Funding Notes, Series 2008-A, issued pursuant hereto.

"Series 2008-A Supplement" shall mean the Amended and Restated Purchase Agreement Supplement, dated as of August 29, 2013, as further amended by Amendment No. 1 thereto dated as of April 24, 2019, and as further amended, supplemented, amended and restated or otherwise modified from time to time hereafter 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.

"Shell Loans" shall mean Pledged Loans which were originated by a Shell Originator. "Shell Originator" shall mean SVC-Americana, LLC, an Arizona limited liability company,

SVC-Hawaii, LLC, a Hawaii limited liability company, and SVC-West, LLC, a California limited liability company and their respective successors and assigns.

"Six-Month Green Loans" shall mean, as of any date, Green Loans which finance a Timeshare Property related to a Resort which has a scheduled completion date not more than six months after the end of the Due Period during which such date occurs and which are not Delayed Completion Green Loans.

"Six-Month Green Loans 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 are Six-Month Green Loans as of the last day of the immediately preceding Due Period exceeds (ii) three percent (3%) of the Adjusted Loan Balance on such date.

"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.

"STCRF" shall mean Sierra Timeshare Conduit Receivables Funding, LLC, a Delaware limited liability company and its successors and assigns.

"Step-Up CP Interest" shall have the meaning specified in the Note Purchase Agreement.

"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 2008-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 November 7, 2008 by and among the Issuer, Wyndham Destinations 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 2008-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.

"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.

"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.

"Transition Period Excess Amount" shall mean, on any date, the amount by which the sum of the Loan Balances on such date for all Pledged Loans which are Acquired Portfolio Loans and for which the Transition Period has extended beyond 120 days and the Transition Period has not been completed as of the last day of the immediately preceding Due Period exceeds ten percent (10%) of the Adjusted Loan Balance on such date.

"Trustee" shall mean Wells Fargo Bank, National Association, or its successor in interest, or any successor trustee appointed as provided in this Indenture.

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

"Twelve-Month Green Loans" shall mean, as of any date, Green Loans which finance a Timeshare Property related to a Resort which has a scheduled completion date more than six months but not more than 12 months after the end of the Due Period during which such date occurs and which are not Delayed Completion Green Loans.

"Twelve-Month Green Loans 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 are Twelve-Month Green Loans as of the last day of the immediately preceding Due Period exceeds (ii) one and a half percent (1.5%) of the Adjusted Loan Balance on such date.

"Twelve-Month Plus Green Loans" shall mean, as of any date, Green Loans which finance a Timeshare Property related to a Resort which has a scheduled completion date more than 12 months after the end of the Due Period during which such date occurs and which are not Delayed Completion Green Loans.

"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.

"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 2008-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.

"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) 20% of the WorldMark Adjusted Loan Balance on such date.

"WorldMark Loan FICO Score 700 Excess Amount" shall mean, on any date, the excess of (a) 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) 50% of the WorldMark Adjusted Loan Balance on such date over (b) the WorldMark Loan FICO Score 650 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 Destinations" shall mean Wyndham Destinations, Inc. (formerly known as Wyndham Worldwide Corporation) and its successors and assigns.

"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) 15% of the Wyndham Adjusted Loan Balance on such date.

"Wyndham Loan FICO Score 700 Excess Amount" shall mean, on any date, the excess of (a) 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) 40.0% of the Wyndham Adjusted Loan Balance on such date over (b) the Wyndham Loan FICO Score 650 Excess Amount on such date.

b. Other Definitional Provisions

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(1) 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.

(2) 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.

(3) 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.

(4) Any reference to a Rating Agency or to each Rating Agency shall only apply to a rating agency then rating the Series 2008-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 2008-A Notes. Other than as set forth in Section 15.16, at any time when the Series 2008-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.

(5) 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.

(6) 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.

(7) 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.

(8) In determining whether the requisite percentage of Noteholders or of all Noteholders have concurred in any direction, waiver or consent, Series 2008-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 2008-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 2008-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 2008-A Notes and that the pledgee is not the Issuer, any other obligor upon the Series 2008-A Notes, the Depositor, the Servicer or any Affiliate of any of the foregoing Persons.

c. 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

d. Form Generally

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(9) The Series 2008-A Notes shall be issued in fully registered form without interest coupons. The Series 2008-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 2008-A Notes as evidenced by their execution of the Series 2008-A Notes. Any portion of the text of any Series 2008-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 2008-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 2008-A Notes, as evidenced by their execution of such Series 2008-A Notes.

All Series 2008-A Notes shall be dated as provided in Section 2.15.

(10) Each Series 2008-A Note shall have a grid attached to it on which there shall be recorded the advances made on such Series 2008-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 2008-A Note.

(11) One Series 2008-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.

(12) One Series 2008-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.

e. Denominations

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Except as otherwise specified in this Indenture and the Series 2008-A Notes, each Series 2008-A Note shall be issued in fully registered form in minimum amounts of U.S. $1,000.

f. Execution, Authentication and Delivery

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Each Series 2008-A Note shall be executed by manual or facsimile signature on behalf of the Issuer by an Authorized Officer of the Issuer.

Series 2008-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 2008-A Notes or does not hold such office at the date of issuance such Series 2008-A Notes.

At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Series 2008-A Notes executed by the Issuer to the Trustee for authentication and delivery, and the Trustee shall authenticate and deliver such Series 2008-A Notes as provided in this Indenture and not otherwise.

No Series 2008-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 2008-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 2008-A Note shall be conclusive evidence, and the only evidence, that such Series 2008-A Note has been duly authenticated and delivered hereunder.

g. Authentication Agent

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(13) The Trustee may appoint one or more Authentication Agents with respect to the Series 2008-A Notes which shall be authorized to act on behalf of the Trustee in authenticating the Series 2008-A Notes in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Series 2008-A Notes. Whenever reference is made in this Indenture to the authentication of Series 2008-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.

(14) 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.

(15) 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.

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

(17) The provisions of Sections 13.1 and 13.3 shall be applicable to any Authentication Agent.

(18) Pursuant to an appointment made under this Section 2.4, the Series 2008-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 2008-A Notes described in the within-mentioned agreement.

as Authentication Agent
for the Trustee

By:

Authorized Signatory"

h. Registration of Transfer and Exchange of Series 2008-A Notes

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(19) The Issuer shall cause to be kept at the Corporate Trust Office, a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the registration of Series 2008-A Notes and the registration of transfers of Series 2008-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. Any reference in this Indenture to the Note Registrar shall include any co-note registrar unless the context requires otherwise.

The Trustee may revoke such appointment and remove any Note Registrar if the Trustee determines in its sole discretion that such Note Registrar failed to perform its obligations under this 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 Trustee has appointed a successor Note Registrar (which may be the Trustee) reasonably acceptable to the Issuer.

Upon surrender for registration of transfer or exchange of any Registered Note at any office or agency of the Note Registrar maintained for such purpose, subject to any transfer restrictions contained in 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 2008-A Notes issued upon any registration of transfer or exchange of Series 2008-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 2008-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 2008-A Note for a period of fifteen (15) days preceding the due date for any payment with respect to the Note.

Whenever any Series 2008-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 2008-A Notes which the Noteholder making the exchange is entitled to receive. Every Series 2008-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 2008-A Notes issued upon transfer, exchange or replacement of other Series 2008 A Notes shall represent the outstanding principal amount of the Series 2008-A Notes so transferred, exchanged or replaced. If any Series 2008-A Note is divided into more than one Series 2008-A Note in accordance with this Article II the aggregate principal amount of the Series 2008-A Notes delivered in exchange shall, in the aggregate be equal to the principal amount of the divided Series 2008-A Note.

No service charge shall be made for any registration of transfer or exchange of Series 2008-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 2008-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 2008-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 2008-A Notes.

(20) The Note Registrar will maintain at its expense in Minneapolis, Minnesota, or New York, New York an office or agency where Series 2008-A Notes may be surrendered for registration of transfer or exchange.

i. Mutilated, Destroyed, Lost or Stolen Series 2008-A Notes

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If (a) any mutilated Series 2008-A Note is surrendered to the Note Registrar, or the Note Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (b) in case of destruction, loss or theft there is delivered to the Note Registrar such security or indemnity as may be required by it to hold the Issuer, the Note Registrar and the Trustee harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Trustee that such Series 2008-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 2008-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 2008-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 2008-A Note without surrender thereof, except that any mutilated Series 2008-A Note shall be surrendered. If, after the delivery of such replacement Series 2008-A Note or payment of a destroyed, lost or stolen Series 2008-A Note pursuant to the proviso to the preceding sentence, a protected purchaser of the original Series 2008-A Note in lieu of which such replacement Series 2008-A Note was issued presents for payment such original Note, the Issuer and the Trustee shall be entitled to recover such replacement Series 2008-A Note (or such payment) from the Person to whom it was delivered or any Person taking such replacement Series 2008-A Note from such Person to whom such replacement Series 2008-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 2008-A Note under this Section 2.6, the Issuer or the Note Registrar may require the payment by the Holder of such Series 2008-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 2008-A Note issued pursuant to this Section in replacement of any mutilated, destroyed, lost or stolen Series 2008-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 2008-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 2008-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 2008-A Notes.

j. Persons Deemed Owners

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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.

k. Appointment of Paying Agent

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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 may revoke such power and remove the Paying Agent if the Issuer determines in its sole discretion that the Paying Agent shall have failed to perform its obligations under this Indenture in any material respect. The Issuer reserves the right at any time to vary or terminate the appointment of a Paying Agent for the Series 2008 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.

l. Cancellation

.

All Series 2008-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 2008-A Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any lawful manner whatsoever, and all Series 2008-A Notes so delivered shall be promptly cancelled by the Trustee. No Series 2008-A Notes shall be authenticated in lieu of or in exchange for any Series 2008-A Notes cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Series 2008-A Notes held by the Trustee shall be destroyed unless the Issuer shall direct by a timely order that they be returned to it.

m. 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 2008-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.

n. 144A Information

. The Issuer agrees to furnish to the Trustee, for delivery to each Noteholder or any prospective transferee of a Series 2008-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 2008-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 2008-A Notes (or interests therein) pursuant to such rule.

o. Authorized Amount; Conditions to Initial Issuance

. (a) The Series 2008-A Notes were issued on the Closing Date in a maximum principal amount of $942,500,000. The maximum principal amount of the Series 2008-A Notes on and after the April 2018 Amendment Effective Date is and shall be $800,000,000, subject to any changes in the Facility Limit made in accordance herewith and with the Note Purchase Agreement.

(21) The following were conditions to the initial funding of the Series 2008-A Notes on the Initial Advance Date:

iv. The Issuer shall have entered into and Granted to the Trustee the Hedge Agreement with terms described in Section 4.7;

v. The premium due for the Hedge Agreement as of the Initial Advance Date shall have been paid as of the Initial Advance Date; and

vi. Any additional conditions set forth in Section 2.2 or Section 3.3 of the Note Purchase Agreement shall have been satisfied.

p. Principal, Interest and NPA Costs

. Principal. The Series 2008-A Notes shall mature and be fully due and payable on the Maturity Date.

vii.The Series 2008-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 2008-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 2008-A Notes which would be outstanding on such Mandatory Redemption Date.

viii.To the extent of Available Funds distributed as provided in provision SIXTH or EIGHTH of Section 4.1 on any Payment Date, principal of the Series 2008-A Notes will be subject to mandatory prepayment on such Payment Date in the amount of the Monthly Principal and the Green Loan Deficiency Principal Distribution Amount, if any. Series 2008-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 2008-A Notes shall be made pro rata based on the outstanding principal amount of the Series 2008-A Notes. All outstanding principal of the Series 2008-A Notes (unless sooner paid) will be due and payable on the Maturity Date.

(22) Interest. Interest on each Series 2008-A Note shall be due and payable on each Payment Date in the amount of the Notes Interest calculated for that Series 2008-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 2008-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.

(23) 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.

(24) Payments in respect of interest on and principal of and any other amount payable on or in respect of any Series 2008-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 2008-A Note in accordance with Section 2.16(a).

q. Nonrecourse to the Issuer

. The Series 2008-A Notes are limited obligations of the Issuer payable only from and to the extent of the Collateral. The Holders of the Series 2008-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 2008-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 2008-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.

r. Dating of the Series 2008-A Notes

.

Each Series 2008-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 2008-A Notes that are authenticated after the Closing Date for any other purpose under this Indenture shall be dated the date of their authentication.

s. Payment on the Series 2008-A Notes; Withholding Tax

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(25) 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.

(26) As a condition to the payment of principal of and interest on any Series 2008-A Note without the imposition of U. S. withholding tax, the Issuer shall require compliance with Section 4.3(c) of the Note Purchase Agreement.

t. Increases in Notes Principal Amount

. The Noteholders agree by acceptance of the Series 2008-A Notes that the Issuer may from time to time by irrevocable written notice substantially in the form attached to the Note Purchase Agreement given to the Deal Agent, the Trustee and the 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.

u. 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.

v. Optional Repayment

. The Issuer may prepay the Series 2008-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.

(27) The applicable Prepayment Notice shall state (i) the principal amount of the Series 2008-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 2008-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 2008-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.

(28) Upon prepayment of the Series 2008-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 2008-A Notes.

(29) Notwithstanding any of the foregoing to the contrary, the Issuer shall on the August 2013 Amendment Effective Date redeem in whole the Series 2008-A Note held by the Exiting Purchaser Group (as defined in Section 6(e) of the August 2013 NPA Amendment) upon presentation of such Series 2008-A Note to the Trustee for payment and cancellation. The redemption price shall be equal to $29,129,657.46 representing the full principal amount then outstanding and without any premium and without any accrued interest, and receipt of such redemption price by the Exiting Purchaser Group shall constitute full payment and satisfaction of such Series 2008-A Note and the Trustee shall thereupon cancel such Series 2008-A Note.

w. Transfer Restrictions

.

(30) The Series 2008-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 2008-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 2008-A Notes without registration.

(31) No transfer of the Series 2008-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 2008-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.

(32) 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:

ix. It understands that the Series 2008-A Notes may be offered and may be resold by a Noteholder of the Series 2008-A Note only to QIBs pursuant to Rule 144A.

x. It understands that the Series 2008-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 2008-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.

xi. 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 2008-A Notes. It has had access to such financial and other information concerning the Issuer, the Series 2008-A Notes and the source of payment for the Series 2008-A Notes as it has deemed necessary in connection with its decision to purchase the Series 2008-A Notes.

xii. It is purchasing the Series 2008-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 2008-A Notes, or any interest or participation therein, as described herein, in this Indenture and in the Note Purchase Agreement.

xiii.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.

xiv.It is not and is not acquiring the Series 2008-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.

xv.With respect to any foreign purchaser claiming an exemption from United States income or withholding tax, that it has delivered to the Trustee a true and complete Form W-8 BEN or Form W8ECI, 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 2008-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.

(33) 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 2008-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).

(34) 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 2008-A Notes or any interest therein may be transferred and the Trustee shall not register any transfer of a Series 2008-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.

x. Tax Treatment

. The Issuer has structured this Indenture and the Series 2008-A Notes with the intention that the Series 2008-A Notes will qualify under applicable tax law as indebtedness of the Issuer, and the Issuer and each Noteholder by acceptance of its Series 2008-A Note agree to treat the Series 2008-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.

y. Liquidity Termination Dates

. 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 2008-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 2008-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.

(35) Each Noteholder, by its acceptance of a Series 2008-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 2008-A Note to the Issuer 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 2008-A Notes surrendered shall be deemed to be fully paid and the Trustee shall cancel such Series 2008-A Notes.

(36) 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.

(37) 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

z. 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 the Second Amendment Effective Date, on any Addition Date, on any date of an increase in the Facility Limit and on any Notes Increase Date as follows:

(38) 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.

(39) 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.

(40) 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 2008-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.

(41) 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).

(42) 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.

(43) Use of Proceeds. All proceeds of the issuance of the Series 2008-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 2008-A Notes or to otherwise fund costs and expenses permitted to be paid under the terms of the Facility Documents.

(44) Governmental Regulations. The Issuer is not an “investment company” registered or required to be registered under the Investment Company Act.

(45) 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 2008-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.

(46) Location and Names of Issuer. The Issuer was formed on April 21, 2008 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 2008-3 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 30, 2008 to change the name of the Issuer to Sierra Timeshare Conduit Receivables Funding II, LLC. Since such Certificate of Amendment was filed, the Issuer has not had any legal name other than Sierra Timeshare Conduit Receivables Funding II, 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 Second Amendment Effective Date, the principal place of business and chief executive office of the Issuer is located at 10750 West Charleston Blvd., Suite 130, Mailstop 2064, Las Vegas, NV 89135. As of the Second Amendment Effective Date, the Issuer does not operate its business or maintain the Records at any other locations.

(47) 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.

(48) Subsidiaries. Other than through its ownership of the limited liability company interests of STCRF, 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.

(49) 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.

(50) 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 2008-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.

(51) 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.

(52) 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.

(53) 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.

(54) 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.

(55) ERISA. The Issuer has not established and does not maintain or contribute to any Benefit Plan that is covered by Title IV of ERISA.

(56) 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.

(57) 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.

(58) Servicer Default. No Servicer Default has occurred and is continuing.

(59) 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.

(60) Perfection of Security Interests in the Collateral. Payment of principal and interest on the Series 2008-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 2008-A Notes and at all times thereafter so long as any Series 2008-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 2008-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.

aa. 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:

(61) 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.

(62) 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.

ab. Rights of Obligors and Release of Loan Files

.

(63) 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.

(64) 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.

(65) 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.

ac. 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.

ad. Addition of New Sellers

. Loans sold to the Depositor by a New Seller and sold by the Depositor to the Issuer may be Granted as Pledged Loans under the terms of Section 5.1 provided that the following conditions have been met:

xvi. The New Seller shall have entered into a Seller Purchase Agreement with the Depositor substantially in the form of the Existing Seller Purchase Agreement but with such revisions as shall be necessary to accommodate the type of Loans and related assets of the New Seller;

xvii. The Depositor Purchase Agreement shall have been amended to include the Loans and related assets of the New Seller as assets being transferred to the Issuer thereunder;

xviii. The Performance Guaranty shall have been amended to include the New Seller as a party whose performance is guarantied or the Performance Guarantor shall have provided a new guaranty agreement under which the Performance Guarantor guaranties the performance of the New Seller;

xix. The Custodial Agreement shall have been amended to provide that the New Seller may deliver Loan Files to the Custodian to be held for the benefit of the Collateral Agent;

xx. The New Seller shall have provided a Control Account Agreement which provides for the receipt of Collections on the Pledged Loans sold by such New Seller and the delivery of such Collections to the Collateral Agent;

xxi. The New Seller shall have provided to counsel for the Deal Agent copies of search reports certified by parties acceptable to counsel for the Deal Agent dated a date reasonably prior to the date on which the entity becomes a New Seller (A) listing all effective financing statements which name the New Seller (under its present name and any previous names) as debtor or seller and which are filed with respect to the New Seller in each relevant jurisdiction, together with copies of such financing statements (none of which shall cover any portion of the Pledged Loans sold by such New Seller to the Depositor except as contemplated by the Facility Documents);

xxii. The New Seller shall have provided filed copies of appropriate UCC financing statement amendments (Form UCC3), if any, necessary to terminate all security interests and other rights of any Person previously granted by the New Seller in the Loans of the New Seller to the extent such Loans are to become Pledged Loans and the related Pledged Assets;

xxiii.An Opinion of Counsel with respect to true sale and federal bankruptcy matters similar in substance to the opinions delivered to the Purchaser Groups pursuant to the Note Purchase Agreement on the Closing Date shall have been delivered to the Trustee, the Deal Agent, the Funding Agents, and the Non-Conduit Committed Purchasers with respect to sales of the Loans by the New Seller to the Depositor;

xxiv.The Issuer shall have delivered to the Trustee and the Collateral Agent and the Deal Agent copies of UCC financing statements with respect to the sale of the Loans from the New Seller to the Depositor, from the Depositor to the Issuer and the Grant to the Collateral Agent together with Opinions of Counsel to the effect that such transfer or security interests have been perfected and are of a first priority;

xxv.Each of the items described in provisions (i) through (viii) above shall be in form and substance acceptable to the Majority Facility Investors; and

xxvi.The Majority Facility Investors shall have delivered to the Issuer written consent to the addition of the New Seller and the inclusion of Loans sold by such New Seller as Pledged Loans.

ae. 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:

xxvii.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 Amended and Restated Indenture and the Approved Loans shall have been purchased by the Depositor pursuant to such Approved Sale Agreement;

xxviii.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;

xxix.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 Amended and Restated 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;

xxx.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;

xxxi.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;

xxxii.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;

xxxiii.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.

xxxiv.All liabilities incurred by the Approved Seller and secured by Loans shall have been paid in full and the related indenture shall have been terminated;

xxxv.Each of the items described in provisions (i) through (viii) above shall be in form and substance acceptable to the Majority Facility Investors; and

xxxvi.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

af. Priority of Payments

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The Servicer shall apply, or by written instruction to the Trustee shall cause the Trustee to apply, on each Payment Date Available Funds for that Payment Date on deposit in the Collection Account to make the following payments and in the following order of priority:

FIRST, to the Trustee in payment of the sum of (x) the Monthly Trustee Fees for the related Due Period and any unpaid Monthly Trustee Fees for a 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 Monthly Principal 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 the Noteholders, the Green Loan Deficiency Principal Distribution Amount, if any, for such Payment Date;

NINTH, 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);

TENTH, to the Trustee in payment of any reasonable expenses and costs 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;

ELEVENTH, to the Issuer, any remaining amounts free and clear of the lien of this Indenture.

ag. 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.

ah. 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 2008 A Notes and the Note Purchase Agreement. Such payments shall be made as provided in Section 2.16(a).

ai. Collection Account

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(66) Collection Account. The Trustee, 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 II, 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.

(67) Withdrawals. The Trustee shall have the sole and exclusive right to withdraw or order a transfer of funds from the Collection Account, in all events in accordance with the terms and provisions of this Indenture and the information most recently delivered to the Trustee pursuant to Section 8.1; provided, however, that the Trustee shall be authorized to accept and act upon instructions from the Servicer regarding withdrawals or transfers of funds from the Collection Account, in all events in accordance with the provisions of this Indenture and the information most recently delivered pursuant to 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.

(68) 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 is authorized to invest the funds in Permitted Investments described in clause (v) of the definition thereof. In no event shall the Trustee be liable for any investment losses incurred in connection with the investment of funds on deposit in the Collection Account by the Trustee pursuant to this Indenture.

(69) 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.

(70) 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.

(71) Prepayment. On any date on which Series 2008-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.

aj. 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.

ak. Reserve Account

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(72) 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 II, LLC Series 2008-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.

(73) 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 Trustee 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.

(74) 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.

(75) [reserved]

(76) Withdrawals from the Reserve Account. The Trustee shall have the sole and exclusive right to withdraw or order a transfer of funds from the Reserve Account, in all events in accordance with the terms and provisions of this Section 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.

(77) Termination of Reserve Account. Any funds remaining in the Reserve Account after all Series 2008-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.

(78) 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.

(79) 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.

al. Hedge Agreement

. The Issuer shall at all times, so long as any Series 2008-A Notes remain unpaid, provide an interest rate cap with the terms described in this Section 4.7. When all Series 2008-A Notes have been paid in full, the Issuer shall terminate the Hedge Agreement. The Hedge Agreement shall meet the following requirements:

(80) 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);

(81) 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;

(82) the Hedge Agreement shall have a termination date equal to the final maturity date of the latest maturing Pledged Loan; and

(83) 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.

am. 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

an. Addition of the Collateral

.

(84) 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.

(85) The transfer of Pledged Loans and the related Pledged Assets shall be subject to the satisfaction of the following conditions:

xxxvii.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;

xxxviii.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;

xxxix.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;

xl.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;

xli.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;

xlii.each such Pledged Loan shall be an Eligible Loan;

xliii.if any of such Pledged Loans are New Seller Loans, the conditions set forth in Section 3.5 shall have been satisfied with respect to such New Seller and 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;

xliv.if any of such Pledged Loans are New Seller Loans and after the addition of such Loans, the Principal Balance of the Pledged Loans which are New Seller Loans sold by one New Seller to the Depositor would exceed 10% of the Adjusted Loan Balance, then the addition of such New Seller Loans shall be subject to the prior written consent of the Deal Agent;

xlv.if any of such Pledged Loans are New Seller Loans and after the addition of such Loans, the Principal Balance of all the Pledged Loans which are New Seller Loans will be greater than 15% of the Adjusted Loan Balance, then the addition of such New Seller Loans shall be subject to the prior written consent of each Funding Agent and each Non-Conduit Committed Purchaser;

xlvi.if any of such Pledged Loans are Acquired Portfolio Loans and after the addition of such Loans the Principal Balance of all Pledged Loans which are Acquired Portfolio Loans acquired as part of one portfolio will be more than 10% of the Adjusted Loan Balance, then the addition of such Loans shall be subject to the prior written consent of the Majority Facility Investors;

xlvii.if any of such Pledged Loans are Green Loans, no Rating Downgrade Condition shall exist as of the Addition Date with respect to such Loans; and

xlviii.after the addition of such Loans, the weighted average FICO Score of the Obligors with respect to all Pledged Loans as of such date shall be equal to or greater than 700.

(86) If on the last Business Day of any Due Period, WRDC has not met the target for qualification of WorldMark Resorts with the California Department of Real Estate ("DRE") as set forth in this Section 5.1(c), then until the target for qualification is satisfied, the California Excess Amount shall be included in the Excess Concentration Amount. References to the target for qualification of WorldMark Resorts with the DRE mean that, as of a specified time, WRDC shall have qualified with the DRE under Section 11018.10 of the California Business and Professions Code (the "Timeshare Law") WorldMark Resorts supporting not less than 90% of the total Vacation Credits that, as of such date, have been sold in all jurisdictions including California.

ao. Release of Defective Loans

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(87) 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.

(88) 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").

(89) 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 2008-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 2008-A Loan Schedule to the Issuer, the Trustee and Collateral Agent.

(90) 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 2008-A Loan Schedule.

(91) 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.

ap. 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 2008-A Loan Schedule.

aq. Release Upon Optional Prepayments

. If the Issuer exercises its right to prepay the Series 2008-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 2008-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 2008-A Loan Schedule.

In addition to receipt by the Trustee of the principal amount of the Series 2008-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:

xlix. After giving effect to such release, no Borrowing Base Shortfall shall exist and no Amortization Event or Event of Default shall have occurred; and

l. 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.

ar. Release Upon Issuance of Exchange Notes

. 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 2008-A Notes held by Extending Noteholders to be canceled on such Payment Date. On such Payment Date, upon cancellation of the Series 2008-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).

(92) 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 2008-A Loan Schedule.

(93) 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.

(94) 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.

as. Release Upon Payment in Full

. At such time as the Series 2008-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 2008-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.

at. Release of Green Loans Upon Rating Downgrade

. On any Payment Date as of which a Rating Downgrade Condition existed on the last day of the related Due Period, the Issuer shall have the right, so long as no Potential Amortization Event, Potential Event of Default, Amortization Event or Event of Default has occurred and is continuing, to obtain a release of the Lien of this Indenture on Green Loans with an aggregate Loan Balance on such date equal to the excess of (x) the product of (i) the sum of the amounts distributed to Noteholders pursuant to clause EIGHTH of Section 4.1 on such Payment Date and each prior Payment Date and (ii) one divided by the Aggregate Advance Rate for such date over (y) the aggregate Loan Balance of all Green Loans released pursuant to this Section 5.7 since the occurrence of such Rating Downgrade Condition (calculated as of the date such Green Loans were released pursuant to this Section 5.7). The Issuer shall provide written notice to the Trustee and the Collateral Agent of any release pursuant to this Section 5.7 not less than two Business Days prior to the Payment Date on which such release is to be effected, specifying the Green Loans to be released.

(95) Upon each release of a Green Loan under this Section 5.7, 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 Green 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 free and clear of the Lien of this Indenture. The Collateral Agent and the Trustee shall execute such documents, releases and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Issuer to effect the release of such Green Loans and the related Pledged Assets pursuant to this Section 5.7. Promptly after the release of a Green Loan, the Issuer shall direct the Servicer to delete such Green Loan from the Series 2008-A Loan Schedule.

Article VI.

ADDITIONAL COVENANTS OF ISSUER

au. Affirmative Covenants

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(96) 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).

(97) 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.

(98) Adequate Capitalization. The Issuer shall ensure that at all times it is adequately capitalized to engage in the transactions contemplated by this Indenture.

(99) 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).

(100) 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.

(101) 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.

(102) Collections. The Issuer shall instruct or cause all Obligors to be instructed to either:

i. send all Scheduled Payments directly to Post Office Boxes for credit to the Control Account or directly to the Control Account,

ii. 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

iii. 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.

a. 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.

b. 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.

c. Compliance with the foregoing provisions of this clause (g) shall not be required with respect to Collections on Shell Loans so long as and to the extent (i) the Obligors on such Shell Loans are directed to make payments into a separate bank account held in the name of the Issuer for the purpose of receiving Collections on Shell Loans for transfer to the Collection Account or Collections on the Shell Loans are otherwise directed to be deposited into such Issuer account, (ii) Collections deposited into such Issuer account are transferred to the Collection Account within

two Business Days following the deposit into such Issuer account and (iii) no deposits other than Collections in respect of the Pledged Loans will be made into such Issuer account (provided that this provision (iii) shall not be violated if funds not constituting Collections in respect of Pledged Loans are inadvertently deposited into the account and are promptly segregated and removed from the account). The Issuer's representation in Section 3.1(w) with respect to the perfection of the security interest in the Collateral, shall not apply to amounts in such Issuer account until such amounts are transferred to the Collection Account.

(103) 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.

(104) 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).

(105) 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.

(106) Insurance and Condemnation.

li. 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.

lii.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.

(107) Custodian.

liii.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.

liv.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).

lv.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.

(108) 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:

lvi.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.

lvii.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.

lviii.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.

lix.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.

lx.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.

lxi.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.

lxii.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.

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

lxiv.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.

lxv.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.

lxvi.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.

lxvii.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.

lxviii.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.

lxix.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.

lxx.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.

(109) 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).

(110) 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.

(111) Tax Classification. The Issuer shall, for as long as the Series 2008-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.

(112) 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.

(113) Series 2008-A Loan Schedule. The Issuer shall at least once each calendar month, provide to the Trustee an amendment to the Series 2008-A Loan Schedule, or cause the Servicer to electronically provide an amendment to the Series 2008-A Loan Schedule, listing the Pledged Loans added to the Collateral and the Pledged Loans released from the Collateral and amending the Series 2008-A Loan Schedule to reflect terms or discrepancies in such schedule that become known to the Issuer since the filing of the original Series 2008-A Loan Schedule or since the most recent amendment thereto.

(114) 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).

(115) Filings; Further Assurances.

lxxi.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.

lxxii.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.

lxxiii.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.

lxxiv.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.

(116) 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.

(117) 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.

(118) [Reserved].

av. Negative Covenants of the Issuer

. So long as any of the Series 2008-A Notes are outstanding, the Issuer shall not:

(119) 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.

(120) 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.

(121) 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.

(122) 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.

(123) 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; provided, however, that nothing in this Section 6.2(e) shall prevent the Issuer from acquiring, owning or transferring or otherwise disposing of the limited liability company interests of STCRF in accordance with the provisions of this Indenture and the other Facility Documents.

(124) 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.

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

(126) 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.

(127) Debt. Create, incur, assume or suffer to exist any Debt except as contemplated by the Facility Documents and any Exchange Notes Indenture.

(128) 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.

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

lxxv.the transactions contemplated hereby and by the other Facility Documents; and

lxxvi.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'slength transaction with a Person not an Affiliate.

(130) 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.

(131) 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, (ii) the purchase of Loans pursuant to the terms of the Depositor Purchase Agreement and (iii) the limited liability company interests of STCRF.

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

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

(134) 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.

(135) Business Names. Use any trade names, fictitious names, assumed names or "doing business as" names.

(136) 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

aw. 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.

ax. 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.

ay. 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.

az. Series 2008-A Loan Schedule

. The Servicer shall at all times maintain the Series 2008-A Loan Schedule and electronically provide to the Trustee, the Issuer, the Collateral Agent and the Custodian a current,

complete copy of the Series 2008-A Loan Schedule. The Series 2008-A Loan Schedule may be in one or multiple documents including an original listing and monthly amendments listing changes.

ba. Enforcement

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(137) 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).

(138) 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.

(139) 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.

(140) 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.

(141) 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.

(142) 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.

(143) 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.

bb. 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.

bc. Other Matters Relating to the Servicer

. The Servicer is hereby authorized and empowered to:

(144) advise the Trustee in connection with the amount of withdrawals from Accounts in accordance with the provisions of this Indenture;

(145) 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

(146) 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.

bd. 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.

be. 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.

bf. 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 and the Second Amendment Effective Date:

(147) 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.

(148) 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.

(149) 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).

(150) 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.

(151) 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.

(152) 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.

bg. Additional Covenants of the Servicer

. The Servicer further agrees as provided in this Section 7.11.

(153) 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.

(154) 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.

(155) 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).

(156) 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.

(157) 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.

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

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

iv. the date the Loan becomes a Pledged Loan, or

v. 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,

b. 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;

c. 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

d. 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.

e. Compliance with the foregoing provisions of this clause (f) shall not be required with respect to Collections on Shell Loans so long as

and to the extent (i) the Obligors on such Shell Loans are directed to make payments into a separate bank account held in the name of the Issuer for the purpose of receiving Collections on Shell Loans for transfer to the Collection Account or Collections on the Shell Loans are otherwise directed to be deposited into such Issuer account, (ii) Collections deposited into such Issuer account are transferred to the Collection Account within two Business Days following the deposit into such Issuer account and (iii) no deposits other than Collections in respect of the Pledged Loans will be made into such Issuer account (provided that this provision (iii) shall not be violated if funds not constituting Collections in respect of Pledged Loans are inadvertently deposited into the account and are promptly segregated and removed from the account).

(159) 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.

(160) 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.

(161) Series 2008-A Loan Schedule. The Servicer will promptly amend the related Series 2008-A Loan Schedule to reflect terms or discrepancies that become known to the Servicer at any time.

(162) 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.

(163) 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.

(164) 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.

(165) 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).

(166) 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.

(167) No Impermissibly Modified Loan. The Servicer shall not take any action that would cause a Loan to be an Impermissibly Modified Loan.

bh. 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.

bi. 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:

lxxvii.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;

lxxviii.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;

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

lxxx.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.

bj. 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.

bk. 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.

bl. 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.

bm. 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

bn. 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.

bo. 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.

bp. 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.

bq. 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, 2008, 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.

br. 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.

bs. 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.

bt. 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 2008-A Notes as indebtedness of the Issuer for federal income tax purposes.

Article IX.

INDEMNITIES

bu. 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.

bv. 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 2008-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.

bw. 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.

bx. 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

by. Amortization Events

. If one or more of the following events shall occur and be continuing:

(168) the Issuer fails to pay in full the Senior Notes Interest due and payable on the Series 2008-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;

(169) the Issuer fails to pay in full the principal of the Series 2008-A Notes on or before the Mandatory Redemption Date;

(170) any Event of Default occurs;

(171) a Servicer Default occurs;

(172) the amount on deposit in the Reserve Account is less than the Reserve Required Amount for any three consecutive Business Days;

(173) the Four Month Default Percentage as of any Payment Date exceeds 0.75%;

(174) the Three Month Rolling Average Delinquency Ratio for any Payment Date exceeds 5.50%;

(175) on any Payment Date, the Gross Excess Spread Percentage for the related Due Period is less than 3.50%;

(176) 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;

(177) 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;

(178) [reserved];

(179) 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 2008-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;

(180) an Insolvency Event occurs with respect to any Seller of Series 2008-A Loans or the Parent Corporation;

(181) Wyndham Destinations 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;

(182) the Notes Principal Amount shall at any time exceed the Adjusted Loan Balance;

(183) 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;

(184) 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;

(185) the Securitized Pool Three Month Rolling Average Delinquency Percentage exceeds 4.50% for four consecutive Payment Dates;

(186) the Securitized Pool Four Month Default Percentage as calculated for any Payment Date exceeds 0.75%; or

(187) the Three Month Rolling Average Loss to Liquidation Ratio as calculated for any Payment Date exceeds 27.50%;

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

bz. Events of Default

. If any of the following events occur:

(188) 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;

(189) 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;

(190) (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 2008-A Loans or the Parent Corporation;

(191) 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

(192) 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.

ca. Acceleration of Maturity; Rescission and Annulment

.

(193) 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 2008-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 2008-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 2008-A Notes together with accrued or accreted and unpaid interest through the date of acceleration, shall become automatically and immediately due and payable.

(194) If an Event of Default has occurred and the maturity of the Series 2008-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.

cb. Collection of Indebtedness and Suits for Enforcement by Trustee

. The Issuer covenants that if the Series 2008-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 2008-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 2008-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 2008-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 2008-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.

cc. 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 2008-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,

(195) to file a proof of claim for the whole amount of principal and interest owing and unpaid in respect of the Series 2008-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

(196) 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 2008-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.

cd. Remedies

.

(197) 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):

a. institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Series 2008-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;

b. 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;

c. 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

d. 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 2008-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 2008-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 2008-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.

(198) In addition to the remedies provided in Section 11.5(a), if so provided in this Indenture, the Trustee 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.

ce. Application of Monies Collected During Event of Default

. If the Series 2008-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 2008-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 2008-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 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 2008-A Notes for interest and all other amounts (other than principal of the Series 2008-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 2008-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.

cf. 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:

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

(200) 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;

(201) 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

(202) 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.

cg. Unconditional Rights of Noteholders to Receive Principal and Interest

. Notwithstanding any other provision in this Indenture, the Holder of any Series 2008-A Note shall have the right, which right is absolute and unconditional, to receive payment of the principal and interest on such Series 2008-A Note on or after the respective due dates thereof expressed in such Series 2008-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.

ch. 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.

ci. 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 2008-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.

cj. 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.

ck. Sale of the Collateral

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(203) 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 2008-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.

(204) 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.

cl. Action on Series 2008-A Notes

. The Trustee's right to seek and recover judgment on the Series 2008-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.

cm. 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 2008-A Notes or exercising any trust or power conferred on the Trustee; provided that

lxxxi.such direction shall not be in conflict with any rule of law or with this Indenture;

lxxxii.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

lxxxiii.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.

cn. 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

co. Servicer Defaults

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

(205) 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;

(206) 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;

(207) 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;

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

(209) 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;

(210) 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;

(211) 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;

(212) 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 2008-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.

cp. Appointment of Successor

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(213) 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 on behalf 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.

(214) 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.

(215) 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.

cq. 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.

cr. Waiver of Past Defaults

. The Majority Facility Investors of all Series 2008-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.

cs. 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.

ct. Matters Related to Successor Servicer

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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

cu. Duties of Trustee

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(216) 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.

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

(218) Subject to Section 13.1(a), no provision of this Indenture shall be construed to relieve the Trustee from liability for its own gross negligence, reckless disregard of its duties, bad faith or misconduct; provided, however, that:

lxxxiv.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;

lxxxv.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;

lxxxvi.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

lxxxvii.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.

(219) 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.

(220) 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.

(221) Except as provided in this Indenture, the Trustee shall have no power to dispose of or vary any Collateral.

(222) 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.

(223) 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, or (D) confirm or verify the contents of any reports or certificates of the Servicer delivered to the Trustee pursuant to this Indenture believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties.

(224) 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.

cv. Certain Matters Affecting the Trustee

. Except for its own gross negligence, reckless disregard of its duties, bad faith or misconduct:

(225) 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;

(226) 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;

(227) 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 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;

(228) 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;

(229) 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.

(230) 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;

(231) 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;

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

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

cw. Trustee Not Liable for Recitals in Series 2008-A Notes or Use of Proceeds of Series 2008-A Notes

. The Trustee assumes no responsibility for the correctness of the recitals contained herein and in the Series 2008-A Notes (other than the certificate of authentication on the Series 2008-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 2008-A Notes (other than the certificate of authentication on the Series 2008-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 2008-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 2008-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.

cx. Trustee May Own Series 2008-A Notes; Trustee in its Individual Capacity

. Wells Fargo Bank, National Association, in its individual or any other capacity, may become the owner or pledgee of Series 2008-A Notes with the same rights as it would have if it were not the Trustee. Wells Fargo Bank, National Association and its Affiliates may generally engage in any kind of business with the Issuer or the Servicer as though Wells Fargo Bank, National Association were not acting in such capacity hereunder and without any duty to account therefor. Nothing contained in this Indenture shall limit in any way the ability of Wells Fargo Bank, National Association and its Affiliates to act as a trustee or in a similar capacity for other interval ownership and lot contract and installment note financings pursuant to agreements similar to this Indenture.

cy. 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 fees, expenses and

disbursements of counsel) which may at any time (including without limitation at any time following the termination of this Indenture and payment on account of the Series 2008-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 of this Indenture, the resignation or removal of the Trustee and all amounts payable on account of the Series 2008-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.

cz. Eligibility Requirements for Trustee

. The Trustee hereunder (if other than Wells Fargo Bank, National Association) shall at all times be an Eligible Institution and a corporation or banking association organized and doing business under the laws of the United States of America or any state thereof authorized under such laws to exercise corporate trust powers, and such Trustee (including Wells Fargo Bank, National Association) shall have a combined capital and surplus of at least $25,000,000 (or, in the case of a successor to the initial Trustee, $100,000,000) and subject to supervision or examination by federal or state authority. If such corporation or banking association publishes reports of condition at least annually, pursuant to law or to the requirements of federal or state supervising or examining authority, then for the purpose of this Section 13.6, the combined capital and surplus of such corporation or banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 13.6, the Trustee shall resign immediately in the manner and with the effect specified in Section 13.7.

da. Resignation or Removal of Trustee

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(234) 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.

(235) 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.

(236) 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.

(237) 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.

db. Successor Trustee

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(238) 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.

(239) 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.

(240) 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.

dc. Merger or Consolidation of Trustee

. Any Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided, such corporation shall be eligible under the provisions of Section 13.6, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

dd. Appointment of Co-Trustee or Separate Trustee

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(241) 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.

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

lxxxviii. 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;

lxxxix.no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

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

(243) 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.

(244) Any separate trustee or co-trustee may at any time constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect to this 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.

de. Trustee May Enforce Claims Without Possession of Series 2008-A Notes

. All rights of action and claims under this Indenture or the Series 2008-A Notes may be prosecuted and enforced by the Trustee without the possession of any of the Series 2008-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.

df. Suits for Enforcement

. If an Event of Default or a Servicer Default shall occur and be continuing, the Trustee, in its discretion, may, subject to the provisions of Article XI and Section 12.1, 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 or the Noteholders.

dg. 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.

dh. Representations and Warranties of the Trustee

. The Trustee represents and warrants that:

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

(246) 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

(247) 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).

di. 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 2008-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.

dj. No Assessment

. Wells Fargo Bank, National Association’s agreement to act as Trustee hereunder shall not constitute or be construed as Wells Fargo Bank, National Association’s assessment of the Issuer’s or any Obligor’s creditworthiness or a credit analysis of any Loans.

dk. 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.

dl. 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

dm. 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 2008-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.

dn. Final Payment

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(248) 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 2008-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.

(249) On or after the final Payment Date, upon written request of the Trustee, the Noteholders shall surrender their Series 2008-A Notes to the office specified in such request.

do. 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.

Article XV.

MISCELLANEOUS PROVISIONS

dp. Amendment

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(250) 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:

xci.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

xcii.to modify transfer restrictions on the Series 2008-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 2008-A Notes are outstanding, at the cost of the Issuer, the Trustee shall provide to each Rating Agency then rating the Series 2008-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.

(251) 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 2008-A Notes under this Indenture; provided that, no such amendment shall, without the consent of all affected Noteholders:

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

xciv.change the application of proceeds of any Collateral to the payment of Series 2008-A Notes or modify the Priority of Payments;

xcv.reduce the percentage of Noteholders required to take or approve any action under this Indenture; or

xcvi.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 2008-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 2008-A Notes, a copy thereof.

(252) 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.

(253) 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 2008-A Note theretofore and thereafter authenticated and delivered hereunder shall be bound thereby.

(254) Reference in Series 2008-A Notes to Amendments. Series 2008-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 2008-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 2008-A Notes.

(255) 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.

(256) 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.

dq. Limitation on Rights of the Noteholders

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(257) 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.

(258) Nothing herein set forth, or contained in the terms of the Series 2008-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.

dr. Governing Law; Waiver of Jury Trial; Submission to Jurisdiction

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(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.

ds. 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 II, LLC
10750 West Charleston Boulevard
Suite 130
Mailstop 2064
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
Sixth & Marquette
MAC N9311-161
Minneapolis, Minnesota 55479
Fax number: 612-667-3464
Attention: 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
Attention: Structured Finance Trust Services
Re: Sierra Timeshare Conduit Receivables Funding II, LLC Series 2008-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 Rating Agency:

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

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
13th Floor
Chicago, Illinois 60670
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 2008-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.

dt. 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 2008-A Notes or rights of the Noteholders thereof.

du. Assignment

. Notwithstanding anything to the contrary contained herein, except as provided in Section 12.2, this Indenture may not be assigned by the Issuer or the Servicer without the prior consent of the Majority Facility Investors.

dv. Series 2008-A Notes Non-assessable and Fully Paid

. It is the intention of the Issuer that the Noteholders shall not be personally liable for obligations of the Issuer and that the indebtedness represented by the Series 2008-A Notes shall be non-assessable for any losses or expenses of the Issuer or for any reason whatsoever.

dw. 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.

dx. 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.

dy. Counterparts

. This Amended and Restated 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.

dz. 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.

ea. Actions by the Noteholders

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(259) 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.

(260) Any request, demand, authorization, direction, consent, waiver or other act by a Noteholder binds such Noteholder and every subsequent holder of such Series 2008-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.

eb. 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.

ec. 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 2008-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.

ed. Headings

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

ee. Satisfaction of Rating Agency Condition

. 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.

ef. [Reserved]

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eg. Changes in the Hedge Agreement

. The Issuer agrees that it will notify each Rating Agency then maintaining a rating on the Series 2008-A Notes of any amendments to the Hedge Agreement.

eh. 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.

ei. Effectiveness

. Any amendment to the Amended Indenture by this Amended and Restated Indenture shall be effective upon the date (the "Second Amendment Effective Date") that is the later of (i) the date hereof and (ii) the first date on which each of the following conditions precedent shall have been satisfied:

(261) This Amended and Restated Indenture shall have been executed and delivered by each of the parties hereto;

(262) The Trustee shall have received the written consent of the Required Facility Investors, each Funding Agent and the Deal Agent to the amendment to the Amended Indenture by this Amended and Restated Indenture;

(263) The Rating Agency Condition shall have been satisfied;

(264) The Trustee shall have received any Opinions of Counsel required by the Trustee to be delivered to the Trustee; and

(265) The Amended and Restated Note Purchase Agreement, dated the date hereof, shall have been executed and delivered by each party thereto.

ej. Purchaser Invested Amount

. The Issuer hereby notifies the Trustee that on October 1, 2010, after giving effect to this Amended and Restated Indenture: (a) the entire principal amount represented by the Series 2008-A Note registered in the name of BARCLAYS BANK, PLC, as Funding Agent, will have been transferred to and acquired by the other Purchaser Groups, with JPMORGAN CHASE BANK, N.A., DEUTSCHE BANK, AG, NEW YORK BRANCH and BANK OF AMERICA, N.A., as Funding Agents; (b) the entire principal amount represented by the Series 2008-A Note registered in the name of BANK OF AMERICA, N.A., as Funding Agent, after giving effect to subsection (a) above, will have been transferred to and acquired by BANK OF AMERICA, N.A., as a Non-Conduit Committed Purchaser; and (c) the portion of the principal amount represented by the Series 2008-A Note that is transferred under subsection (a) above and registered in the name of JPMORGAN CHASE BANK, N.A., as Funding Agent, will have been transferred to and acquired by COMPASS BANK, as a Non-Conduit Committed Purchaser. Upon receipt by the Trustee of the Series 2008-A Notes registered in the name of BARCLAYS BANK, PLC and BANK OF AMERICA, N.A. for cancellation, the Trustee shall cancel such notes. The Issuer shall have issued a new Series 2008-A Note to each of BANK OF AMERICA, N.A. and COMPASS BANK, each as a Non-Conduit Committed Purchaser, and the Issuer hereby authorizes and directs the Trustee to authenticate such new notes. The outstanding Series 2008-A Notes (including the newly issued notes) shall represent the entire Notes Principal Amount of $215,429,514.46 on October 1, 2010 after giving effect to this Amended and Restated Indenture (subject to future Increases and principal payments and cancellations as provided in the Original Indenture and the Note Purchase Agreement). The principal amount of each such outstanding Series 2008-A Note on October 1, 2010 after giving effect to this Amended and Restated Indenture shall be equal to the applicable Purchaser Invested Amount (as such term is defined in the Note Purchase Agreement) with respect to each Purchaser Group and Non-Conduit Committed Purchaser, as set forth on Schedule 2 to this Amended and Restated Indenture.

[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 II, LLC, as Issuer

By:

Name:
Title:

WYNDHAM CONSUMER FINANCE, INC., as Servicer

By:

Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By:

Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as as Collateral Agent

By:

Name:
Title:

Schedule 1

Schedule of Trustee’s Fees

Schedule 2

Purchaser Invested Amount

Purchaser Groups (identified by reference to Funding Agent)	Purchaser Invested Amount
JPMorgan Chase Bank, N.A.	$39,495,410.99
Credit Suisse, New York Branch	$35,904,919.08
Deutsche Bank, AG, New York Branch	$35,904,919.08
The Royal Bank of Scotland plc	$35,904,919.08
The Bank of Nova Scotia	$17,952,459.54

Non-Conduit Committed Purchasers	Purchaser Invested Amount
Compass Bank	$14,361,967.61
Bank of America, N.A.	$35,904,919.08

EXHIBIT A

FORM OF SUPPLEMENTAL GRANT

SUPPLEMENTAL GRANT NO. __ OF ADDITIONAL PLEDGED LOANS AND RELATED PLEDGED ASSETS dated as of _____, by and among SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING II, LLC, a limited liability company formed 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, not in its individual capacity, but solely as Trustee, under the Indenture referred to below, and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as Collateral Agent.

WITNESSETH:

WHEREAS, the Issuer, the Servicer, the Trustee and the Collateral Agent are parties to the Indenture and Servicing Agreement dated as of November 7, 2008, as amended by Amendment No. 1 thereto dated as of October 23, 2009, as amended and restated as of October 1, 2010 (as amended, supplemented, amended or restated or otherwise modified from time to time, the "Indenture");

WHEREAS, the Issuer wishes to Grant to the Collateral Agent, for the benefit of the Trustee 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 Pledged Loans and related Pledged Assets designated herein to be included as Additional Pledged Loans and Pledged Assets;

NOW, THEREFORE, the Issuer, the Servicer, the Trustee and the Collateral Agent hereby agree as follows:

1. Defined Terms. All capitalized terms used herein shall have the meanings ascribed to them in the Indenture unless otherwise defined herein.

"Cut-Off Date" shall mean, with respect to the Additional Pledged Loans, _____.

"Addition Date" shall mean, with respect to the Additional Pledged Loans, _____.

2. Series 2008-A Loan Schedule. The Issuer hereby delivers to the Collateral Agent a certificate which contains a true and complete list of the Additional Pledged Loans Granted to the Collateral Agent under this Supplemental Grant. The list of the Additional Pledged Loans contained in the accompanying certificate is hereby incorporated into and made a part of this Supplemental Grant and shall become a part of and supplement the Series 2008-A Loan Schedule.

3. Grant of Additional Pledged Loans and Pledged Assets. The Issuer hereby Grants to the Collateral Agent, for the benefit of the Trustee on behalf of the Noteholders, all of the Issuer's right, title and interest, whether now owned or hereafter acquired, in, to and under (i) all

Additional Pledged Loans and the related Pledged Assets including all Collections with respect thereto, (ii) all rights, remedies, powers, privileges and claims of the Issuer relating to such Additional 2008-A Pledged Loans and the related Pledged Assets under each Seller Purchase Agreement [and each Approved Sale Agreement] under which the Additional Pledged Loans were sold to the Depositor and the Depositor Purchase 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 or each Seller [and each Approved Seller] under or in connection with the Depositor Purchase Agreement or each Seller Purchase Agreement [and each 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 and each Seller Purchase Agreement [and each Approved Sale Agreement], (iii) all certificates and instruments if any, from time to time representing or evidencing any of the foregoing property described in clauses (i) or (ii), (iv) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing, (v) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas and other minerals, consisting of, arising from, or relating to, any of the foregoing, (vi) all proceeds of the foregoing property described in clauses (i) through (v), any security therefor, and all interest, dividends, cash, instruments, financial assets and other investment property and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for or on account of the sale, condemnation or other disposition of, any or all of the then existing Additional Pledged Loans or the related Pledged Assets, and including all payments under Insurance Policies (whether or not a Seller [an Approved Seller] or an Originator, the Depositor, the Issuer, the Collateral Agent or the Trustee is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the Additional Pledged Loans or the related Pledged Assets, and (vii) all proceeds of the foregoing (collectively, the "Additional Collateral").

In connection with the foregoing Grant and if necessary, the Issuer agrees to authorize, record and file one or more financing statements (and continuation statements or other amendments with respect to such financing statements when applicable) with respect to the Additional Collateral meeting the requirements of applicable law in such manner and in such jurisdictions as are necessary to perfect the Grant of the Additional Collateral to the Collateral Agent, and to deliver a file-stamped copy of such financing statements and continuation statements (or other amendments) or other evidence of such filing to the Collateral Agent.

In connection with the foregoing sale, the Issuer further agrees, on or prior to the date of this Supplemental Grant, to cause the portions of its computer files relating to the Additional Pledged Loans Granted on such date to the Collateral Agent to be clearly and unambiguously marked to indicate that each such Additional Pledged Loan and the related Pledged Assets have been Granted on such date to the Collateral Agent pursuant to the Indenture and this Supplemental Grant.

4. Acknowledgement by the Collateral Agent and the Trustee. The Collateral Agent and the Trustee acknowledge the Grant of the Additional Collateral, and the Collateral Agent accepts the Additional Collateral in trust hereunder in accordance with the provisions hereof and the Indenture.

The Collateral Agent hereby acknowledges that, prior to or simultaneously with the execution and delivery of this Supplemental Grant, the Issuer delivered to the Collateral Agent a certificate listing the Additional Pledged Loans as described in Section 2 of this Supplemental Grant and such list of Additional Pledged Loans is attached hereto as Schedule A.

5. Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Collateral Agent on the Addition Date that each representation and warranty to be made by it on such Addition Date pursuant to the Indenture is true and correct, and that each such representation and warranty is hereby incorporated herein by reference as though fully set out in this Supplemental Grant.

6. Ratification of the Indenture. The Indenture is hereby ratified, and all references to the Indenture shall be deemed from and after the Addition Date to be references to the Indenture as supplemented and amended by this Supplemental Grant. Except as expressly amended hereby, all the representations, warranties, terms, covenants and conditions of the Indenture shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or consent to non-compliance with any term or provision of the Indenture.

7. Counterparts. This Supplemental Grant may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

8. GOVERNING LAW. THIS SUPPLEMENTAL GRANT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

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

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

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING II, LLC, as Issuer

By:

Name:
Title:

WYNDHAM CONSUMER FINANCE, INC., as Servicer

By:

Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By:

Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as Collateral Agent

By:

Name:
Title:

EXHIBIT B

FORM OF SERIES 2008-A NOTE

THIS SERIES 2008-A NOTE (THIS "NOTE") WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAW OF ANY STATE AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS OR (B) IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS TO A PERSON (I) WHO THE TRANSFEROR REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") AND (II) THAT IS AWARE THAT THE RESALE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A.

THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). EACH HOLDER OF THIS NOTE AGREES THAT THIS NOTE MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS IN THE INDENTURE.

PRIOR TO PURCHASING ANY INTEREST IN THIS NOTE, PURCHASERS SHOULD CONSULT COUNSEL WITH RESPECT TO THE AVAILABILITY AND CONDITIONS OF EXEMPTION FROM THE RESTRICTION ON RESALE OR TRANSFER. THE ISSUER HAS NOT AGREED TO REGISTER THE NOTE UNDER THE SECURITIES ACT, TO QUALIFY THE NOTE UNDER THE SECURITIES LAWS OF ANY STATE OR TO PROVIDE REGISTRATION RIGHTS TO ANY PURCHASER.

THE PRINCIPAL AMOUNT OF THIS NOTE WILL BE REDUCED FROM TIME TO TIME BY PRINCIPAL PAYMENTS ON THIS NOTE. IN ADDITION, THE PRINCIPAL AMOUNT OF THIS NOTE MAY BE INCREASED SUBJECT TO CERTAIN TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND THE NOTE PURCHASE AGREEMENT. ANYONE ACQUIRING THIS NOTE MAY ASCERTAIN THE CURRENT OUTSTANDING PRINCIPAL BALANCE OF THIS NOTE BY INQUIRY OF THE TRUSTEE. ON THE DATE OF THIS NOTE, THE TRUSTEE IS WELLS FARGO BANK, NATIONAL ASSOCIATION.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF, AND EACH HOLDER OF A BENEFICIAL INTEREST IN THIS NOTE, COVENANTS AND AGREES THAT IT WILL NOT AT ANY TIME INSTITUTE AGAINST SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING II, LLC OR SIERRA DEPOSIT COMPANY, LLC, OR JOIN IN ANY INSTITUTION AGAINST SIERRA TIMESHARE CONDUIT RECEIVABLES

FUNDING II, LLC OR SIERRA DEPOSIT COMPANY, LLC, OF ANY BANKRUPTCY PROCEEDINGS UNDER ANY UNITED STATES FEDERAL OR STATE BANKRUPTCY OR SIMILAR LAW.

THE HOLDER OF THIS NOTE, BY ACCEPTANCE OF THIS NOTE, AND EACH HOLDER OF A BENEFICIAL INTEREST IN THIS NOTE, BY THE ACQUISITION OF A BENEFICIAL INTEREST THEREIN, AGREE TO TREAT THE NOTE AS INDEBTEDNESS OF THE ISSUER FOR APPLICABLE FEDERAL, STATE, AND LOCAL INCOME AND FRANCHISE TAX LAW AND FOR PURPOSES OF ANY OTHER TAX IMPOSED ON OR MEASURED BY INCOME.

EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE DEEMED TO REPRESENT THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE, WILL NOT BE AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (“ERISA”), AS AMENDED), INDIVIDUAL RETIREMENT ACCOUNT OR OTHER PLAN (AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE), WHETHER OR NOT THE PLAN IS SUBJECT TO TITLE I OF ERISA), OR SECTION 4975 OF THE INTERNAL REVENUE CODE (EACH, A “PLAN”), (II) IT HAS NOT USED “PLAN ASSETS” OF ANY PLAN TO ACQUIRE SUCH NOTE, AND (III) FOR SO LONG AS IT HOLDS SUCH NOTE, IT WILL NOT ALLOW SUCH NOTE TO CONSTITUTE “PLAN ASSETS” OF ANY PLAN.

REGISTERED PRINCIPAL AMOUNT: NOT TO EXCEED

$_____

No. R-__

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING II, LLC

LOAN-BACKED VARIABLE FUNDING NOTE, SERIES 2008-A

Sierra Timeshare Conduit Receivables Funding II, LLC, a Delaware limited liability company (herein referred to as the "Issuer"), for value received, hereby promises to pay to _____, [as Funding Agent], or its assigns, subject to the following provisions, a principal sum not to exceed _____ DOLLARS ($_____), or such greater or lesser amount as determined in accordance with the Indenture on the stated Maturity Date (the "Maturity Date") as set forth in the Indenture, as amended from time to time, and to pay principal at such times in advance thereof as is provided in the Indenture. The Issuer will pay the Notes Interest on this Note on each Payment Date in accordance with Sections 2.13 and 4.1 of the Indenture. Principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

The Notes are nonrecourse obligations of the Issuer payable only from and to the extent of the Collateral. The Holders of the 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 Notes and the interest thereon in full and all other obligations of the Issuer under the Indenture and the other Facility Documents, the Holders of the 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.

Principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

SIERRA TIMESHARE CONDUIT

RECEIVABLES FUNDING II, LLC as Issuer

By:

Name:
Title:

Date:_____, 200_

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes designated above and referred to in the within-mentioned Indenture and Servicing Agreement.

WELLS FARGO BANK,

NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee

By:

Name:
Title:

Date: _____, 200_

[REVERSE OF NOTE]

This duly authorized Note of the Issuer, designated as its Loan-Backed Variable Funding Note, Series 2008-A (herein called this "Note"), is issued under the Indenture and Servicing Agreement dated as of November 7, 2008, as amended by Amendment No. 1 thereto dated as of October 23, 2009, as amended and restated as of October 1, 2010 (as further amended, supplemented, amended and restated, or otherwise modified from time to time, the "Indenture"), by and among the Issuer, Wyndham Consumer Finance, Inc. as servicer (the "Servicer"), Wells Fargo Bank, National Association, as trustee (the "Trustee"), and U.S. Bank National Association, as collateral agent (the "Collateral Agent"). This Note is one of a duly authorized series of Variable Funding Notes of the Issuer designated as its Loan-Backed Variable Funding Notes Series 2008-A (the "Notes"), which have in the aggregate a maximum principal amount not to exceed the Facility Limit as such amount may be reduced or increased from time to time in accordance with the Indenture and the Note Purchase Agreement. Interest on each Note will be calculated in accordance with the terms of the Indenture. The respective rights and obligations of the Issuer, the Servicer, the Trustee, the Collateral Agent and the Holders of the Notes are set forth in the Indenture. This Note is subject to all terms of the Indenture. All terms used in this Note that are not defined herein shall have the meanings assigned to them in or pursuant to the Indenture.

Payments of interest on and principal of this Note when due and payable shall be made (i) by wire transfer in immediately available funds to a United States dollar account specified by the Holder and included in the Note Register in accordance with wire transfer instructions received by any Paying Agent on or before the Record Date applicable to such Payment Date, (as defined in the Note Purchase Agreement), (ii) if no wire transfer instructions are received by a Paying Agent, payment shall be by a United States dollar check drawn on a United States bank and delivered by first-class mail, postage prepaid. Any reduction in the principal amount of this Note effected by any payments made on any Payment Date shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon.

As provided in the Indenture, the principal of this Note will be due and payable in full on the earlier of (i) the Mandatory Redemption Date (unless repayment of the Notes is waived in accordance with Section 2.13(a)(ii) of the Indenture) and (ii) the Maturity Date.

The principal amount of this Note outstanding may be increased from time to time in accordance with the terms of Section 2.17 of the Indenture and the terms of the Note Purchase Agreement but not to exceed the amount stated above.

The Holder of this Note may be required to exchange it for an Exchange Note under the terms of Section 2.22 of the Indenture.

As provided in the Indenture and subject to certain restrictions and limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this

Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee or the Note Registrar duly executed by, the Holder hereof or such Person's attorney-in-fact duly authorized in writing, and such other documents as the Trustee or the Note Registrar may reasonably require, and thereupon one or more new Notes of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the Issuer or the Trustee or the Note Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Noteholder by acceptance of a Note covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Collateral Agent or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Trustee in its individual capacity, (ii) the Collateral Agent in its individual capacity, (iii) any owner of a membership interest in the Issuer or (iv) any partner, owner, beneficiary, agent, officer, director or employee of the Trustee or the Collateral Agent in its individual capacity, any holder of a membership interest in the Issuer or the Trustee or of any successor or assign of the Trustee or the Collateral Agent in its individual capacity, except as any such Person may have expressly agreed.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Collateral Agent, the Trustee, the Paying Agent, the Transfer Agent and the Note Registrar and any agent of the foregoing shall treat the Person in whose name this Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Collateral Agent, the Trustee, the Paying Agent, the Transfer Agent and Note Registrar nor any such agent of the foregoing shall be affected by notice to the contrary.

The Indenture permits certain amendments without the consent of any Noteholders but with the satisfaction of the Rating Agency Condition. In addition, the Issuer, the Trustee, the Collateral Agent and the Servicer may enter into amendments which modify the rights and obligations of the Issuer or the rights of the Holders of the Notes under the Indenture at any time with the consent of the Majority Facility Investors. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Issuer" as used in this Note includes any successor to the Issuer under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note and the Indenture shall be governed by and construed in accordance with the laws of the State of New York and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay to the extent of amounts available from the Collateral, the principal of and the interest on this Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Facility Documents, neither the owner of a membership interest in the Issuer, nor any of its partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Note or the Indenture. The Holder of this Note by the acceptance hereof agrees that, except as expressly provided in the Facility Documents, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the Collateral.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

(name and address of assignee)
the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ _____*

* NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE OF NOTE INCREASES

AND PAYMENTS OF PRINCIPAL

Date	Note Principal Increase or Decrease	Balance After Increase or Decrease	Note Made By

EXHIBIT C

FORM OF MONTHLY SERVICING REPORT

[To be inserted.]

EXHIBIT D

FORM OF INDENTURE AND SERVICING AGREEMENT FOR THE EXCHANGE NOTES

[To Be Inserted.]

EXHIBIT E

CONTROL ACCOUNT INFORMATION

Control Account Basic Information:

Control Account Bank:

Bank of America, N.A.
Contact Person:

Andrew P. Nasson – AVP
980-387-6973 (direct)
704-607-0914 (cell)
980-388-9215 (fax)
andrew.p.nasson@bankofamerica.com
Bank of America

Contract Management
Global Product Solutions
Mail Code NC1-002-04-30
101 S. Tryon Street; 4th Floor
Charlotte, NC 28255-0001
Address for Notices:

Bank of America, N. A.
Blocked Account Support
800-5th Avenue
Mail Code: WA1-501-08-21
Seattle, WA 98104
Facsimile: 866-355-7792
and

Susan Oberto, VP

Bank of America, N. A.
Blocked Account Support
800-5th Avenue
Mail Code: WA1-501-08-21
Seattle, WA 98104
Facsimile: 866-355-7792
ABA Routing Information:

ABA Routing Transit Number:	121000248 Wells Fargo Bank, N.A. San Francisco, CA
Beneficiary Account Number:	0001038377
Beneficiary Account Name:	Wells Fargo Corporate Trust
FFC:	Sierra Conduit II Collection Account a/c #23261900 Attn: Amanda Berg (612) 667-8488

Lockbox Addresses:

Bank of America Lockbox Services, Sierra Timeshare 2008-A (414504), MA5-527-02-07, 2 Morrissey Blvd, Dorchester, MA 02125

Sierra Timeshare Conduit Receivables Funding II, LLC, PO Box #742780, Los Angeles, CA 90074-2780

EXHIBIT F

FORM OF NOTE PURCHASE AGREEMENT WITH RESPECT TO THE

EXCHANGE NOTES

[To Be Inserted.]

EXHIBIT G

SERVICER CERTIFICATE PURSUANT TO SECTION 3.3(C)

[To Be Inserted.]

EXHIBIT H

EXCHANGE NOTES INDENTURE POOL CRITERIA

In each case, as determined on the date of the release of the related Pledged Loans pursuant to Section 5.5:

1. Each pool must be in compliance with its applicable definition of Borrowing Base.

2. The weighted average coupon of the Aggregate Loan Balances for each pool must not differ by more than 0.25%.

3. The weighted average life to maturity of the Aggregate Loan Balances for each pool must not differ by more than 1.5 months.

4. The weighted average FICO scores of the aggregate Adjusted Loan Balances for each pool must not differ by more than 5.

5. The Notes Principal Amount as a percentage of the Borrowing Base for each pool must not differ by more than 1.50%.

6. The aggregate Excess Concentration Amounts for each pool as a percentage of the related Aggregate Loan Balance must not differ by more than 1%.

7. The aggregate amount of Pledged Loans with any scheduled monthly payment of interest or principal (or any portion thereof) delinquent more than 60 days delinquency as a percentage of the Aggregate Loan Balances in each pool must not differ by more than 0.75%.

8. On the date of the issuance of the Exchange Notes, the Rating Agency Condition with respect to the Series 2008-A Notes shall be satisfied, and the Exchange Notes shall be rated no lower than the then-current ratings of the Series 2008-A Notes.

EXHIBIT I

HEDGE AGREEMENT

On file with Orrick, Herrington & Sutcliffe LLP

Exhibit J

[FORM OF]

SALE AND ASSIGNMENT AGREEMENT

dated as of [ ] [ ], 20__

by and between

[NAME OF APPROVED SELLER]

as Assignor

and

SIERRA DEPOSIT COMPANY, LLC

as Depositor

SALE AND ASSIGNMENT AGREEMENT

THIS SALE AND ASSIGNMENT AGREEMENT (this "Agreement") dated as of [__] [ ],20__ is made by and between [NAME OF APPROVED SELLER], a Delaware limited liability company, as seller and assignor (the "Assignor") and SIERRA DEPOSIT COMPANY, LLC, a Delaware limited liability company, as depositor (the "Depositor").

RECITALS

WHEREAS, the Assignor has acquired loans from the Depositor and the Assignor has issued its _____ Notes, Series _____(the "Series ___Notes") and pledged such loans and related assets acquired from the Depositor to secure the Series ____ Notes;

WHEREAS, on or prior to the date of this Agreement, the Assignor has paid or caused to be paid all Series _____Notes and all other liabilities secured under the Series ____Indenture (as hereinafter defined);

WHEREAS, the Assignor has offered those loans described on the Loan Schedule (as hereinafter defined) to the Depositor for purchase and the Depositor has agreed to purchase those loans on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, the Depositor intends to transfer and assign the loans described in the Loan Schedule and the related Transferred Assets to Sierra Timeshare Conduit Receivables Funding II, LLC (the "Issuer"), which will then grant a security interest in the Loans to the Collateral Agent on behalf of the Series 2008-A Trustee (as hereinafter defined) and the holders of the Series 2008-A Notes (as hereinafter defined) issued pursuant to the Series 2008-A Indenture (as hereinafter defined).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

Section 1. Definitions.

All terms used but not otherwise specifically defined herein shall, to the extent such terms apply to a Loan, have the meanings ascribed to such terms in the Purchase Agreement. Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Addition Cut-Off Date" shall mean the close of business on [ ] [ ], 20__.

"Agreement" shall have the meaning set forth in the preamble.

"Assets" shall mean any and all right, title, and interest of the Assignor in, to and under (a) the Loans and the related Transferred Assets, (b) the Collections received with respect to the Loans after the Addition Cut-Off Date, (c) the Purchase Agreement as it relates to the Loans and the related Transferred Assets, including, without limitation, the right to cause the Seller to repurchase the Defective Loans as provided in the Purchase Agreement, (d) all certificates and

instruments, if any, from time to time representing or evidencing any of the foregoing property described in clauses (a) through (c), (e) 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, (f) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter-ofcredit rights, letters of credit, money, and oil, gas and other minerals, consisting of, arising from, or relating to, any of the foregoing, and (g) the proceeds of all of the foregoing.

"Assignor" shall have the meaning set forth in the preamble. "Closing Date" shall mean [ ] [ ], 20__.

"Collection Account" shall have the meaning set forth in the Series 2008-A Indenture.

"Collections" shall mean, with respect to any Loan, all funds, collections and other proceeds of such Loan paid by or on behalf of the Obligor, including without limitation (i) all Scheduled Payments or recoveries made in the form of money, checks and like items to, or a wire transfer or an automated clearinghouse transfer received in, any of the Lockbox Accounts or received by the Assignor, the Depositor or the Servicer in respect of such Loan, (ii) all amounts received by the Assignor, the Depositor, the Servicer or the Trustee in respect of any Insurance Proceeds relating to such Loan or the related Vacation Ownership Interest and (iii) all amounts received by the Assignor, the Depositor, the Servicer or the Trustee in respect of any proceeds of a condemnation of property in any Resort, which proceeds relate to such Loan or the related Vacation Ownership Interest.

"Defective Loan" shall mean any Loan with an uncured material breach of any representation or warranty of the Assignor set forth in Section 7 of this Agreement.

"Eligible Loans" shall have the meaning set forth in Section 7 hereof. "Issuer" shall have the meaning assigned thereto in the Recitals.

"Loans" shall mean the Loans(as defined in the Purchase Agreement) that are listed on the Loan Schedule.

"Loan Schedule" shall mean the list of Loans designated as the Loan Schedule to this Agreement delivered electronically by the Assignor to the Depositor and to the Issuer and the Series 2008-A Trustee as assignees of the Depositor, which list shall set forth the same information with respect to each Loan contained in the loan schedule delivered pursuant to the Purchase Agreement as supplemented by the Series 2008-A Supplement thereto, dated as of November 7, 2008, as amended, amended and restated or otherwise modified from time to time.

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

any Lien arising through or under such Person under this Agreement or any Facility Documents to which it is a party; or (e) the value, validity, enforceability or collectibility of the Loans pledged as collateral for any Series of Notes or any of the other Transferred Assets pledged as collateral for any Series of Notes.

"Permitted Deferred Loan" shall mean a Loan with respect to which the Obligor has been granted an extension of the time required to pay the amounts due thereon, provided that (i) any such extension was made in accordance with the Credit Standards and Collection Policies and Customary Practices and (ii) such Loan is not a Delinquent Loan as of the Addition Cut-Off Date.

"Purchase Agreement" shall mean the Master Loan Purchase Agreement dated as of August 29, 2002, as amended and restated as of October 30, 2007, as amended, supplemented or amended and restated from time to time, by and among WCF, as seller and the Depositor, as purchaser, WRDC, WVRI and various other entities from time to time party thereto, supplemented by supplemented by the [ ] supplement thereto [list all applicable supplements].

"Purchase Price" shall have the meaning set forth in Section 3 hereof.

"Repurchase Price" shall have the meaning set forth in Section 8 hereof.

"Seller" shall mean WCF under the Purchase Agreement.

"Seller Defective Loan" shall mean any Loan which is a "Defective Loan" under the terms of the Purchase Agreement.

"Series 2008-A Indenture" shall mean the Indenture and Servicing Agreement dated as of November 7, 2008, as amended or amended and restated, by and among the Issuer, WCF, as servicer, the Series 2008-A Trustee and U.S. Bank National Association, as collateral agent.

"Series 2008-A Loan" shall have the meaning set forth in the Series 2008-A Indenture.

"Series 2008-A Notes" shall mean the Sierra Timeshare Conduit Receivables Funding II, LLC, Loan-Backed Variable Funding Notes, Series 2008-A.

"Series 2008-A Trustee" shall mean Wells Fargo Bank, National Association, as trustee under the Series 2008-A Indenture or any other entity appointed and acting as trustee for the benefit of the holders of the Series 2008-A Notes.

"Series ____Indenture" shall mean the Indenture and Servicing Agreement, dated as of _____, among the Assignor, as issuer, WCF, as servicer, _____, as trustee and _____, as collateral agent, as amended, supplemented and amended and restated from time to time.

"Series ____Notes" shall have the meaning assigned thereto in the Recitals.

"WCF" shall mean Wyndham Consumer Finance Inc., a Delaware corporation or any successor thereof.

"WRDC" shall mean Wyndham Resort Development Corporation, an Oregon corporation.

"WVRI" shall mean Wyndham Vacation Resorts, Inc., a Delaware corporation.

"Wyndham Destinations" shall mean Wyndham Destinations, Inc. and its successors and assigns.

Section 2. Purchase and Sale.

Upon the terms and subject to the conditions hereof, the Depositor hereby purchases from the Assignor, and the Assignor hereby sells and assigns to the Depositor without recourse except as specifically set forth herein, the Assets. It is the express and specific intent of the parties that the transfer of the Assets from the Assignor to the Depositor as provided in this Section 2 is and shall be construed for all purposes as an absolute sale of such Assets, shall be irrevocable, and shall provide the Depositor with the full benefits of ownership of the Assets. It is, further, not the intention of the parties that such transfer be deemed to be the grant of a security interest in the Assets by the Assignor to the Depositor to secure a debt or other obligation of the Assignor. However, in the event that, notwithstanding the intent of the parties, the Assets are held or deemed to be the property of the Assignor or if for any other reason this Agreement is held or deemed to create a security interest in the Assets, then (i) this Agreement shall constitute a security agreement, and (ii) the transfer of the Assets provided for in this Agreement shall be deemed to be a grant by the Assignor to the Depositor of, and the Assignor hereby grants to the Depositor, to secure all of the Assignor's obligations hereunder, a security interest in all of the Assignor's right, title and interest, whether now owned or hereafter acquired, in, to and under the Assets.

In connection with the sale and conveyance hereunder, the Assignor agrees on or prior to the Closing Date to indicate or cause to be indicated clearly and unambiguously in its accounting, computer and other records that the Loans and the related Assets have been sold to the Depositor pursuant to this Agreement.

The sales and purchases of Assets do not constitute and are not intended to result in a creation or an assumption by the Depositor or its successors and assigns of any obligation of the Seller, the Assignor or any other Person in connection with the Assets (other than such obligations as may arise from the ownership of the Assets) or under the related Loans or any other agreement or instrument relating thereto, including without limitation any obligation to any Obligors. None of the Depositor or the Depositor's assignees shall have any obligation or liability to any Obligor or other customer or client of the Seller (including without limitation any obligation to perform any of the obligations of the Seller under any Loan or related Timeshare Property or any other agreement or any obligation of the Seller), except such obligations as may arise from the ownership of the Assets.

All Loans conveyed to the Depositor hereunder shall be held by the Custodian pursuant to the terms of the Custodial Agreement.

Section 3. Loan Purchase Price.

The Loans had an aggregate unpaid principal balance of $[ ] at the close of business on the Addition Cut-Off Date. The purchase price (the "Purchase Price") for the Assets shall be $[ ].

Section 4. Payment of Purchase Price.

On the terms and subject to the conditions of this Agreement, payment of the Purchase Price shall be made by the Depositor on the Closing Date in immediately available funds to the Assignor to such account at such bank as the Assignor shall designate to the Depositor not less than one business day prior to the Closing Date.

Section 5. Conditions Precedent to Sale of Loans.

The Depositor's obligations hereunder to purchase and pay for the Assets on the Closing Date are subject to the fulfillment of the following conditions on or before the Closing Date (each of which shall be deemed satisfied or waived by the Depositor's payment of the Purchase Price):

(a) The Depositor shall have received this Agreement executed by all parties hereto and the Depositor and the Series 2008-A Trustee shall have received the Loan Schedule.

(b) The lien of the Series ____Indenture shall have been released as evidenced by a certificate of release delivered to the Depositor by the Collateral Agent.

(c) The representations and warranties of the Assignor made in this Agreement shall be true and correct in all material respects on the Closing Date.

(d) The Depositor shall have received evidence that the transfer of the Assets to the Depositor shall have been perfected under applicable law.

Section 6. Representations and Warranties of the Assignor.

The Assignor represents and warrants as of the Closing Date, or as of such other date specified in such representation and warranty, that:

(a) The Assignor is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. The Assignor has full limited liability company power, authority and legal right to own its properties and conduct its business as such properties are presently owned and as such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement. The Assignor is duly qualified to do business and is in good standing as a foreign entity, and has obtained all necessary licenses and approvals in each jurisdiction necessary to carry on its business as presently conducted and to perform its obligations under this Agreement.

(b) The execution, delivery and performance by the Assignor of this Agreement and the consummation by the Assignor of the transactions provided for in this Agreement have been duly authorized by the Assignor by all necessary limited liability company action.

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

(d) The execution, delivery and performance by the Assignor of this Agreement and the consummation by the Assignor of the transactions contemplated hereby do not contravene (i) the Assignor's limited liability company agreement, (ii) any law, rule or regulation applicable to the Assignor, (iii) any contractual restriction contained in any material indenture, loan or credit agreement, lease, mortgage, deed of trust, security agreement, bond, note, or other material agreement or instrument binding on the Assignor or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting the Assignor or its properties (except where such contravention would not have a Material Adverse Effect with respect to the Assignor or its properties), and do not result in or require the creation of any Lien upon or with respect to any of its properties (except pursuant to this Agreement); and no transaction contemplated hereby requires compliance with any bulk sales act or similar law. To the extent that this representation is being made with respect to Title I of ERISA or Section 4975 of the Code, it is made subject to the assumption that none of the assets being used to purchase the Assets constitute assets of any Benefit Plan or Plan with respect to which the Assignor is a party in interest or disqualified person.

(e) There are no proceedings or investigations pending, or to the best knowledge of the Assignor threatened, against the Assignor before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality (A) asserting the invalidity of this Agreement, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (C) seeking any determination or ruling that would adversely affect the validity or enforceability of this Agreement or (D) seeking any determination or ruling that would, if adversely determined, be reasonably likely to have a Material Adverse Effect with respect to the Assignor.

(f) All approvals, authorizations, consents or orders of any court or governmental agency or body required in connection with the execution and delivery by the Assignor of this Agreement, the consummation by it of the transactions contemplated hereby and the performance by it of, and the compliance by it with, the terms hereof, have been obtained, except where the failure to do so would not have a Material Adverse Effect with respect to the Assignor.

(g) The Assignor, both prior to and immediately after giving effect to the sale of Assets to the Depositor on the date hereof, (A) is not insolvent (as such term is defined in the Bankruptcy Code), (B) is able to pay its debts as they become due and (C) does not have

unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage.

(h) The Assignor was formed on _____, 20__, as a limited liability company under the laws of the State of Delaware and has at all times since such date remained as a limited liability company under the laws of the State of Delaware.

It is understood and agreed that the representations and warranties contained in this Section 6 shall remain operative and in full force and effect, shall survive the transfer and conveyance of the Assets by the Assignor to the Depositor and the sale of the Assets to the Issuer and shall inure to the benefit of the Depositor and its respective assignees, successors and assigns (including the Issuer and the Series 2008-A Trustee).

Section 7. Representations and Warranties Regarding the Loans.

As of the Addition Cut-Off Date or other date specified below, the Assignor hereby represents and warrants to the Depositor that:

(a) Seller Representations and Warranties. Each of the Loans sold hereunder was originally sold to the Depositor pursuant to the terms of the Purchase Agreement. The representations and warranties of the Seller in Section 6(b) of the Purchase Agreement were made at the time of such original sale and have been assigned by the Depositor to the Assignor and such representations and warranties and the right to enforce the Purchase Agreement are included in the Assets transferred to the Depositor under this Agreement.

(b) Loan Schedule. The information set forth in the Loan Schedule is true and correct with respect to each Loan.

(c) Good Title to Loans. The Assignor has good and marketable title to each Loan free and clear of any Lien other than Permitted Encumbrances. Other than pursuant to the Series ____Indenture, the Assignor has not sold, assigned or pledged any Loan or any interest therein to any Person other than the Depositor. (i) With respect to the related Timeshare Property (other than Vacation Credits and Points) either (A) a generally accepted form of title insurance policy insuring the fee estate ownership of the real property subject to the Timeshare Property Regime by the Persons owning the respective interests therein and their successors and assigns (1) was effective either at the time the Originator (or a Subsidiary thereof) acquired the Timeshare Property or at the time of registration of the Timeshare Property Regime, (2) is valid and remains in full force and effect and (3) was issued by a title insurer qualified to do business in the applicable jurisdiction; or (B) either at the time the Originator (or a Subsidiary thereof) acquired the Timeshare Property or at the time of registration of the Timeshare Property Regime, such fee estate ownership had been verified by an attorney's opinion of title, the form and substance of which is of a type acceptable for purposes of registration of sales of Timeshare Properties and which may be relied upon by Persons subsequently owning the respective interests therein and their successors and assigns; (ii) (A) with respect to the related Timeshare Property that consists of a Vacation Credit and the related Loan Documents, other than pursuant to the Series ____Indenture, the Assignor has not sold, assigned or pledged such related Loan or

any interest therein to any Person other than the Depositor and (B) with respect to the related Timeshare Property that consists of an UDI, the Assignment of Mortgage of such related Mortgage from the Seller to the Depositor and each related endorsement of the related Mortgage note constitutes a duly executed, legal, valid, binding and enforceable sale, assignment or endorsement of such related Mortgage and related Mortgage note, and all monies due or to become due thereunder and all proceeds thereof; or (iii) (A) with respect to the related Timeshare Property that consists of Points and the related Loan Documents in connection with the ClubWyndham Access plan, other than pursuant to the Series ____Indenture, the Assignor has not sold, assigned or pledged such related Loan or any interest therein to any Person other than the Depositor.

(d) No Defaults. Each Loan is not a Defaulted Loan and no event has occurred which, with the taking of any action or the expiration of any grace or cure period or both, would cause such Loan to be a Defaulted Loan. None of the Assignor, the Seller or any Originator has waived any such default, breach, violation or event permitting acceleration with respect to any Loan.

(e) Equal Installments. Each Loan has a fixed Loan Rate and provides for substantially equal monthly payments that fully amortize the Loan over its term.

(f) Excess Concentration Amount. Based on information provided to the Assignor by the Servicer regarding the Series 2008-A Loans, which information is attached hereto as Exhibit A, the inclusion of the Loans as Series 2008-A Loans pursuant to the Series 2008-A Indenture or the pledge of such Loans under any Exchange Notes Indenture (as defined in the Series 2008-A Indenture), does not cause an increase in the Excess Concentration Amount (as defined in the Series 2008-A Indenture or the applicable Exchange Notes Indenture).

(g) No Defenses. None of the Loans is subject to any statutory right of rescission, setoff, counterclaim or defense, including without limitation the defense of usury.

(h) Loan in Force; No Subordination. Each Loan is in full force and effect and has not been subordinated, satisfied in whole or in part or rescinded.

(i) Material Disputes. To the actual knowledge of the Assignor, none of the Loans is subject to any material dispute.

(j) Eligibility. Each of the Loans is an Eligible Loan.

For purposes of this Agreement, the term “Eligible Loan” means either an “Eligible Loan—WorldMark” or an “Eligible Loan—Wyndham.”

“Eligible Loan—WorldMark” shall mean a Loan originated by WRDC and which meets the following criteria:

i.with respect to which (i) the related Timeshare Property is not a Lot, (ii) the related Timeshare Property has been purchased by an Obligor, (iii) except in the case of a Green

Loan, a certificate of occupancy for the related Timeshare Property has been issued, (iv) except in the case of a Green Loan, the unit for the related Timeshare Property is complete and ready for occupancy, is not in need of material maintenance or repair, except for ordinary, routine maintenance and repairs that are not substantial in nature or cost and contains no structural defects materially affecting its value, (v) the related Timeshare Property Regime is not in need of maintenance or repair, except for ordinary, routine maintenance and repairs that are not substantial in nature or cost and contains no structural defects materially affecting its value, (vi) there is no legal, judicial or administrative proceeding pending, or to the Assignor's knowledge threatened, for the total condemnation of the related Timeshare Property or partial condemnation of any portion of the related Timeshare Property Regime that would have a material adverse effect on the value of the related Timeshare Property and (vii) the related Timeshare Property, if not Vacation Credits, is not related to a Resort located outside of the United States (including Puerto Rico and the United States Virgin Islands), Canada or Mexico;

ii. with respect to which the rights of the Obligor thereunder are subject to declarations, covenants and restrictions of record affecting the Resort;

iii. in the case of a Loan that is an Installment Contract, with respect to which the Assignor has a valid ownership interest or security interest in an underlying Timeshare Property, subject only to Permitted Encumbrances, unless the criteria in paragraph (d) are satisfied;

iv. with respect to which (i) if the related Timeshare Property has been deeded to the Obligor of the related Loan, (A) the Originator has a valid and enforceable first lien Mortgage on such Timeshare Property, except as such enforceability may be limited by Debtor Relief Laws and as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, (B) such Mortgage and related mortgage note for such mortgage have been assigned to the Collateral Agent, (C) such Mortgage and the related mortgage note for such Mortgage have been transferred to the custody of the Custodian in accordance with the provisions of Section 6(c)(i) of the Purchase Agreement and (D) if any Mortgage relating to such Loan is a deed of trust, a trustee duly qualified under applicable law to serve as such has been properly designated in accordance with applicable law and currently so serves or (ii) if the related Timeshare Property has not been deeded to the Obligor of the related Loan, a Nominee has legal title to such Timeshare Property and the Assignor has an equitable interest in such Timeshare Property;

v. that was issued in a transaction that complied, and is in compliance, in all material respects with all material requirements of applicable federal, state and local law, except, with respect only to California Business and Professions Code Section 11018.10, as in effect prior to its repeal as of July 1, 2005, and California Business and Professions Code Section 11226, which became effective as of July 1, 2005 where such failure to comply would not have a Material Adverse Effect on the Assignor or a material adverse effect on such Loan;

vi. that requires either:

a. (A) the Obligor to pay the unpaid principal balance over an original term of not greater than 120 months and (B) the original term does not

exceed 84 months unless (1) such Loan relates to a Timeshare Upgrade or (2) based on information provided to the Assignor by the Servicer regarding the Series 2008-A Loans, which information is attached hereto as Exhibit A, after the inclusion of such Loan as a Series 2008-A Loan, the weighted average FICO Score of all Series 2008-A Loans with original terms longer than 84 months is at least 655; or

b. the Obligor to pay the unpaid principal balance over an original term not greater than 180 months and, based on information provided to the Assignor by the Servicer regarding the Series 2008-A Loans, which information is attached hereto as Exhibit A, after the inclusion of such Loan as a Series 2008-A Loan, the weighted average FICO Score of all Series 2008-A Loans with original terms of 120 months or longer is not less than 730;

provided that the calculation of the weighted average FICO Score under these clauses (f)(i)(2) and (f)(ii) shall exclude any Issuer Excluded Excess Amount (as defined in the Series 2008-A Indenture);

vii. that has a FICO Score of not less than 600;

viii. the Scheduled Payments on which are denominated and payable in

United States dollars;

ix. that is not a Defective Loan or a Defaulted Loan;

x. that is not a Delinquent Loan and, unless it is a Permitted Deferred Loan, it has never been a Defaulted Loan, as of the Addition Cut-Off Date;

xi. that does not (i) finance the purchase of credit life insurance and (ii) finance, and was not originated in connection with, the "Explorer" program, unless such Loan has been converted to be in connection with the WorldMark program;

xii. with respect to which the related Timeshare Property consists of Vacation Credits or a UDI;

xiii. that was originated by WRDC and has been consistently serviced by WRDC or by WCF, in each case in the ordinary course of its respective business and in accordance with the Customary Practices and the Credit Standards and Collection Policies;

xiv. that has not been specifically reserved against by the Assignor or WRDC or WCF as servicer or classified by the Assignor or WRDC or WCF as servicer as uncollectible or charged off;

xv. that arises from transactions in a jurisdiction in which WRDC is duly qualified to do business, except where the failure to so qualify will not adversely affect or impair the legality, validity, binding effect and enforceability of such Loan;

xvi.that has not been cancelled or terminated by the related Obligor (regardless of whether such Obligor is legally entitled to do so) and constitutes a legal, valid, binding and enforceable obligation of the related Obligor, except as such enforceability may be limited by Debtor Relief Laws and as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law;

xvii.that is fully amortizing pursuant to a required schedule of substantially equal monthly payments of principal and interest;

xviii.with respect to which (i) the downpayment has been made; and (ii) neither statutory nor regulatory rescission rights exist with respect to the related Obligor;

xix.that had an Equity Percentage of 10% or more at the time of the sale of the related Timeshare Property to the related Obligor (or, in the case of a Loan relating to a Timeshare Upgrade, an Equity Percentage of 10% or more of the value of all Vacation Credits owned by the related Obligor);

xx.with respect to which the related Obligor has not at any time made a written request for rescission of such Loan or otherwise stated in writing that it does not intend to consummate such Loan or to fully perform under such Loan;

xxi.with respect to which at least one Scheduled Payment has been made by the Obligor; except that this subsection (u) shall not be applicable with respect to Loans made for the purpose of or relating to the financing of a Timeshare Upgrade;

xxii.as of the Addition Cut-Off Date has an outstanding loan balance not greater than $100,000; and

xxiii.that, in the case of a Green Loan, (i) satisfies each of the eligibility criteria set forth in paragraphs (a) through (v) above other than any such criteria that cannot be satisfied due solely to (A) the related Green Timeshare Property being located in a Resort that is not yet complete and ready for occupancy; (B) the Seller or the Assignor not having a valid ownership interest in the related Green Timeshare Property; or (C) the related Green Timeshare Property not having been deeded to the Obligor or legal title not being held by the Nominee; and (ii) the related Green Timeshare Property has a scheduled completion date no more than 12 months following the Addition Cut-Off Date, as applicable.

“Eligible Loan—Wyndham” shall mean a Loan which is not originated by WRDC and which meets the following criteria:

i.with respect to which (i) the related Timeshare Property is not a Lot, (ii) the related Timeshare Property has been purchased by an Obligor, (iii) except in the case of a Green Loan, a certificate of occupancy for the related Timeshare Property has been issued, (iv) except in the case of a Green Loan, the unit for the related Timeshare Property is complete and ready for occupancy, is not in need of material maintenance or repair, except for ordinary, routine maintenance and repairs that are not substantial in nature or cost and contains no structural

defects materially affecting its value, (v) the related Timeshare Property Regime is not in need of maintenance or repair, except for ordinary, routine maintenance and repairs that are not substantial in nature or cost and contains no structural defects materially affecting its value, (vi) there is no legal, judicial or administrative proceeding pending, or to the Assignor's knowledge threatened, for the total condemnation of the related Timeshare Property or partial condemnation of any portion of the related Timeshare Property Regime that would have a material adverse effect on the value of the related Timeshare Property and (vii) the related Timeshare Property, if not Points, is not related to a Resort located outside of the United States (including Puerto Rico and the United States Virgin Islands), Canada or Mexico;

ii.with respect to which the rights of the Obligor thereunder are subject to declarations, covenants and restrictions of record affecting the Resort; provided, however, that a Loan shall not fail to be an Eligible Loan solely because the

rights of the Obligor thereunder have been subjected to the FairShare Plus Program;

iii.in the case of a Loan that is an Installment Contract, with respect to which the Assignor has a valid ownership interest or security interest in an underlying Timeshare Property, subject only to Permitted Encumbrances, unless the criteria in paragraph (d) are satisfied;

iv.with respect to which (i) if the related Timeshare Property has been deeded to the Obligor of the related Loan, (A) the Originator has a valid and enforceable first lien Mortgage on such Timeshare Property, except as such enforceability may be limited by Debtor Relief Laws and as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, (B) such Mortgage and related mortgage note for such mortgage have been assigned to the Collateral Agent, (C) such Mortgage and the related mortgage note for such Mortgage have been transferred to the custody of the Custodian in accordance with the provisions of Section 6(c)(i) of the Purchase Agreement and (D) if any Mortgage relating to such Loan is a deed of trust, a trustee duly qualified under applicable law to serve as such has been properly designated in accordance with applicable law and currently so serves; (ii) if the related Timeshare Property has not been deeded to the Obligor of the related Loan, a Nominee has legal title to such Timeshare Property and the Assignor has an equitable interest in such Timeshare Property; or (iii) if the related Timeshare Property is an Interval Interest or Points, either the Seller or the Assignor has a security interest in such Timeshare Property;

v.that was issued in a transaction that complied, and is in compliance, in all material respects with all material requirements of applicable federal, state and local law;

vi.that requires either:

c. (A) the Obligor to pay the unpaid principal balance over an original term of not greater than 120 months and (B) the original term of which does not exceed 84 months unless (1) such Loan relates to a Timeshare Upgrade or (2) based on information provided to the Assignor by the Servicer regarding the Series 2008-A Loans, which information is attached hereto as Exhibit A, after

the inclusion of such Loan as a Series 2008-A Loan, the weighted average FICO Score of all Series 2008-A Loans with original terms longer than 84 months is at least 655; or

d. the Obligor to pay the unpaid principal balance over an original term not greater than 180 months and, based on information provided to the Assignor by the Servicer regarding the Series 2008-A Loans, which information is attached hereto as Exhibit A, after the inclusion of such Loan as a Series 2008-A Loan, the weighted average FICO Score of all Series 2008-A Loans with original terms of 120 months or longer is not less than 730;

provided that the calculation of the weighted average FICO Score under these clauses (f)(i)(2) and (f)(ii) shall exclude any Issuer Excluded Excess Amount (as defined in the Series 2008-A Indenture);

vii. that has a FICO Score of not less than 600;

viii. the Scheduled Payments on which are denominated and payable in United States dollars;

ix. that is not a Defective Loan or a Defaulted Loan;

x. that is not a Delinquent Loan and, unless it is a Permitted Deferred Loan, it has never been a Defaulted Loan, as of the Addition Cut-Off Date.

xi. that does not finance the purchase of credit life insurance;

xii. the related Timeshare Property (A) consists of a Fixed Week, a UDI or an Interval Interest or Points (including Points issued in connection with the ClubWyndham Access plan) and (B) if it consists of a Fixed Week, (i) it has been converted or is convertible into a UDI or has become subject to the FairShare Plus Program, which conversion into a UDI or any modification made in connection with the FairShare Plus Program does not or would not give rise to the extension of the maturity of any payments under such Loan or (ii) it is an Acquired Portfolio Loan;

xiii. that was either (i) originated by an Originator and has been consistently serviced by WCF, in each case in the ordinary course of its respective business and in accordance with the Customary Practices and the Credit Standards and Collection Policies or (ii) was acquired by the Seller directly or indirectly from the originator of such Loan and within a period of not more than 120 days after such acquisition, WCF has undertaken the servicing of such Loan either directly or through a contractual agreement with a third party reasonably acceptable to WCF;

xiv. that has not been specifically reserved against by the Assignor or WVRI or WCF as servicer or classified by the Assignor or WVRI or WCF as servicer as uncollectible or charged off;

xv.that arises from transactions in a jurisdiction in which WVRI and each Subsidiary of WVRI (other than the Depositor and the Issuer) that conducts business in such jurisdiction is duly qualified to do business, except where the failure to so qualify will not adversely affect or impair the legality, validity, binding effect and enforceability of such Loan;

xvi.that has not been cancelled or terminated by the related Obligor (regardless of whether such Obligor is legally entitled to do so) and constitutes a legal, valid, binding and enforceable obligation of the related Obligor, except as such enforceability may be limited by Debtor Relief Laws and as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law;

xvii.that is fully amortizing pursuant to a required schedule of substantially equal monthly payments of principal and interest;

xviii.with respect to which (i) the downpayment has been made and (ii) no statutory or regulatory rescission rights exist with respect to the related Obligor;

xix.that had an Equity Percentage of 10% or more at the time of the sale of the related Timeshare Property to the related Obligor (or, in the case of a Loan relating to a Timeshare Upgrade, an Equity Percentage of 10% or more of the value of all Vacation Credits owned by the related Obligor);

xx.with respect to which the related Obligor has not at any time made a written request for rescission of such Loan or otherwise stated in writing that it does not intend to consummate such Loan or to fully perform under such Loan;

xxi.that is not a Loan originated under an Alliance Program;

xxii.with respect to which at least one Scheduled Payment has been made by the Obligor; except that this subsection (v) shall not be applicable with respect to Loans made for the purpose of or relating to the financing of a Timeshare Upgrade;

xxiii.as of the Addition Cut-Off Date has an outstanding loan balance not greater than $100,000; and

xxiv.that, in the case of a Green Loan, (i) satisfies each of the eligibility criteria set forth in paragraphs (a) through (v) above other than any such criteria that cannot be satisfied due solely to (A) the related Green Timeshare Property being located in a Resort that is not yet complete and ready for occupancy; (B) the Seller or the Assignor not having a valid ownership interest in the related Green Timeshare Property; or (C) the related Green Timeshare Property not having been deeded to the Obligor or legal title not being held by the Nominee; and (ii) the related Green Timeshare Property has a scheduled completion date no more than 12 months following the Addition Cut-Off Date, as applicable.

Section 8. Repurchases of Defective Loans.

Upon discovery by the Assignor or upon written notice from the Depositor or the Series 2008-A Trustee that any Loan is a Defective Loan under the terms of this Agreement,

i. if such Loan is also a Seller Defective Loan, then notwithstanding any other provision of this Agreement, the Assignor shall have no obligation or liability to repurchase such Defective Loan and the Depositor and its assignees shall rely solely on its rights against the Seller of such Seller Defective Loan under the Purchase Agreement; or

ii. if such Loan is not a Seller Defective Loan, then the Assignor shall, within 90 days after the earlier of its discovery or receipt of notice thereof, cure such Defective Loan in all material respects or repurchase such Defective Loan from the Depositor or its assignee at the Repurchase Price. For purposes of this Agreement, the term "Repurchase Price" shall mean an amount equal to the outstanding Principal Balance of such Defective Loan as of the close of business on the Due Date immediately preceding the date on which the repurchase is to be made, plus accrued but unpaid interest thereon to the date of the repurchase. The Depositor hereby directs the Assignor, for so long as the Series 2008-A Indenture or any Exchange Notes Indenture (as defined in the Series 2008-A Indenture) is in effect, to make such payment on its behalf to the Series 2008-A Trustee for deposit in the Collection Account.

The Assignor shall provide written notice to the Depositor of any repurchase pursuant to this Section 8 not less than two Business Days prior to the date on which such repurchase is to be effected, specifying the Defective Loan and the Repurchase Price therefor. Upon the repurchase of a Defective Loan pursuant to this Section 8, the Assignor shall pay the Repurchase Price to the Series 2008-A Trustee for deposit in the Collection Account on behalf of the Depositor no later than 12:00 noon, New York time, on the date on which such repurchase is made.

Promptly after the Assignor has with respect to any Defective Loan paid the Release Price to the Series 2008-A Trustee, the Depositor shall, upon receipt of such Defective Loan from the Series 2008-A Trustee transfer the Defective Loan to or at the direction of the Assignor.

The obligations of the Assignor set forth in this Section 8 shall constitute the sole remedy against the Assignor with respect to any breach of the representations and warranties set forth in Section 7 available hereunder to the Depositor and its assignees.

Section 9. Covenants of the Assignor.

xxv. On the Closing Date the Assignor shall upon receipt of the Purchase Price for the Loans, pay to or at the direction of the Depositor all Collections with respect to the Loans received after the Addition Cut-Off Date. In addition, from and after the Closing Date, the Assignor shall if the Assignor or any of its agents or representatives at any time receive any cash, checks or other instruments constituting Collections with respect to the Loans or any cash, checks or other instruments constituting payment on or proceeds from other Assets arising after the Addition Cut-Off Date with respect to the Loans, segregate and hold such payments in trust

for, and in a manner acceptable to, the Depositor and promptly upon receipt (and in any event within two Business Days following receipt) remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer to the Series 2008-A Trustee for deposit in the Collection Account or as otherwise directed by the Depositor.

xxvi.From and after the Closing Date and until such time as the Issuer no longer owns any of the Loans sold to the Depositor hereunder, the Assignor shall:

(1) comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business, the Loans, the related Timeshare Properties and this Agreement;

(2) preserve and maintain its limited liability company existence, rights, and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing as a foreign limited liability company, 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, privileges, qualifications, licenses and approvals would not have a Material Adverse Effect with respect to it;

(3) take such action as is necessary to continue to observe the applicable legal requirements for recognition of the Assignor as a legal entity separate and apart from each of the Seller, WVRI, WRDC and any of their respective Affiliates (other than the Assignor) and to ensure that the facts and assumptions relating to the Assignor set forth in the opinion of Orrick, Herrington & Sutcliffe LLP dated as of [ ] relating to substantive consolidation matters with respect to WCF, WRDC, WVRI and the Assignor are true and correct; and

(4) (A) file or cause to be filed all federal, state and local tax returns that are required to be filed by it, except where the failure to file such returns, either singly or in the aggregate, could not reasonably be expected to have a Material Adverse Effect with respect to the Assignor and (B) pay or cause to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, other than any taxes or assessments the validity of which are being contested in good faith by appropriate proceedings and with respect to which the Assignor or the applicable Affiliate has set aside adequate reserves on its books in accordance with GAAP, and which proceedings could not reasonably be expected to have a Material Adverse Effect with respect to the Assignor.

xxvii.From and after the Closing Date and until such time as the Issuer no longer owns any of the Loans sold to the Depositor hereunder, the Assignor shall not:

(1) sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Lien (other than Permitted Encumbrances) of anyone claiming by or through it on or with respect to, any Asset or any interest therein, other than sales of Assets pursuant to this Agreement;

(2) consolidate with or merge with or into any other Person or convey, transfer or sell all or substantially all of its properties and assets to any Person;

(3) create, incur or permit to exist, or give any guarantee or indemnity in respect of, any indebtedness except for (A) liabilities created or incurred by the Assignor pursuant to this Agreement and the Term Purchase Agreement to which the Assignor is a party and (B) other reasonable and customary operating expenses;

(4) incur or make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty);

(5) engage in any business other than financing, purchasing, owning and selling and managing the Assets or Loans in the manner contemplated by this Agreement and the Term Purchase Agreement to which the Assignor is a party, and all activities incidental thereto, or enter into or be a party to any agreement or instrument other than this Agreement and the Term Purchase Agreement to which the Assignor is a party, or documents and agreements incidental thereto; or

(6) except as contemplated by this Agreement and the Term Purchase Agreement to which the Assignor is a party, make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person without the consent of the holders of a majority of the outstanding principal amount of the Series 2008-A Notes.

xxviii.The Assignor hereby agrees that at any time and from time to time, at its expense, it will promptly execute and deliver all further instruments and documents and take all further action, that may be necessary or desirable, or that the Depositor or its assignees may reasonably request, in order to enable the Depositor and its assignees to exercise and enforce its or their rights and remedies hereunder. The Assignor hereby also agrees that it will not change its name, its type or jurisdiction of organization, or its organizational identification number, unless the Assignor has given the Depositor at least 30 days' prior written notice thereof and taken all action necessary or reasonably requested by the Depositor to amend its existing financing statements and file additional financing statements in all applicable jurisdictions in order to perfect and maintain the perfection of the ownership interest or security interest of the Depositor in the Assets.

Section 10. Miscellaneous.

xxix.Amendment. This Agreement may be amended from time to time or the provisions hereof may be waived or otherwise modified by the parties hereto by written agreement signed by the parties hereto.

xxx.Assignment. The Depositor may assign its rights under this Agreement to the Issuer, and the Issuer may in turn assign its rights under this Agreement to the Collateral Agent on behalf of the Series 2008-A Trustee, pursuant to the Series 2008-A Indenture. The Assignor

consents to such assignments and agrees that the provisions of this Agreement may be enforced against it by such assignees. The Assignor shall not assign its rights or obligations hereunder except with the prior written consent of the Depositor and the Series 2008-A Trustee as an indirect assignee of the Depositor.

xxxi.Counterparts. This Agreement may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

xxxii.GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

xxxiii.WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO AND ITS ASSIGNEES WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

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

xxxv.Successors and Assigns. This Agreement shall be binding upon the Depositor and the Assignor and their respective successors and assigns, as may be permitted hereunder, and shall inure to the benefit of, and be enforceable by, the Assignor, the Depositor and the Depositor’s successors and assigns.

xxxvi.No Proceedings.

e. The Depositor hereby agrees that it will not institute against the Assignor or join any other Person in instituting against the Assignor any proceeding under any Debtor Relief Law so long as any notes issued by the Assignor are outstanding or there shall not have elapsed one year plus one day since the date on which the notes ceased to be outstanding. The foregoing shall not limit the right of the Depositor to file any claim in or otherwise take any action with respect to any proceeding under any Debtor Relief Law that was instituted against the Assignor by any Person other than the Depositor. This agreement shall bind any assignee of or successor to the Depositor.

f. The Assignor hereby agrees that it will not institute against the Depositor or join any other Person in instituting against the Depositor any proceeding under any Debtor Relief Law. The foregoing shall not limit the right of the Assignor to file any claim in or otherwise take any action with respect to any proceeding under any Debtor Relief Law that was instituted against the Depositor by any Person other than the Assignor.

xxxvii. Recourse to the Depositor. The obligations of the Depositor under this Agreement are solely the obligations of the Depositor, and no recourse shall be had for payment of any fee payable by or other obligation of or claim against the Depositor that arises out of this Agreement against any director, officer or employee of the Depositor. The provisions of this Section 10(i) shall survive the termination of this Agreement.

xxxviii. Recourse to the Assignor. The obligations of the Assignor under this Agreement are solely the obligations of the Assignor, and no recourse shall be had for payment of any fee payable by or other obligation of or claim against the Assignor that arises out of this Agreement against any director, officer or employee of the Assignor. The provisions of this Section 10(j) shall survive the termination of this Agreement.

xxxix. Confidentiality. The Assignor and the Depositor each agree to maintain the confidentiality of any information regarding the Seller, the Assignor, the Depositor, and Wyndham Destinations obtained in accordance with the terms of this Agreement that is not publicly available; provided, however, that the Assignor or the Depositor may reveal such information (i) as necessary or appropriate in connection with the administration or enforcement of this Agreement, (ii) as required by law, government regulation, court proceeding or subpoena and (iii) as necessary or appropriate in connection with the financing statements filed pursuant to this Agreement and other documents related to the Loans.

xl. Delivery of Loan Schedule. The Depositor hereby directs the Assignor to deliver the Loan Schedule to the Depositor and to the Issuer and the Series 2008-A Trustee as its assignees.

xli. Indemnification of the Depositor. The Assignor shall indemnify, defend and hold harmless the Depositor and each of its successors, permitted transferees and assigns (including the Series 2008-A Trustee and any Trustee under an Exchange Notes Indenture for the benefit of the holders of the Exchange Notes) against any and all claims, losses and liabilities and related costs and expenses, including reasonable attorneys' fees (the foregoing being collectively referred to as "Indemnified Amounts") that may at any time be imposed on, incurred by or asserted against any of them arising out of or as a result of a breach by the Assignor of any of its representations, warranties or covenants hereunder or the failure to vest and maintain in the Depositor a first priority perfected ownership or security interest in the Assets, free of any Lien arising through the Assignor or anyone claiming through or under the Assignor. The Assignor shall pay to the Depositor, on demand, any and all amounts necessary to indemnify the Depositor for (i) any and all recording and filing fees in connection with the transfer of the Loans from the Assignor to the Depositor, and any and all liabilities with respect to, or resulting from any delay in paying when due, any taxes (including sales, excise or property taxes) payable in connection

with the transfer of the Loans from the Assignor to the Depositor and (ii) costs, expenses and reasonable counsel fees in defending against the same. The Depositor agrees that notwithstanding any claim, counterclaim or defense which it may have against the Assignor, due to a breach by the Assignor under this Agreement or for any other reason, and notwithstanding the bankruptcy of the Assignor or any other event whatsoever, the Depositor's sole remedy shall be a claim hereunder against the Assignor for money damages, and then only to the extent of funds available to the Assignor. To the extent that funds are not available to pay the Assignor's indemnification obligations under this Section 10(m), the claims relating to such obligations will not constitute a claim (as defined in Section 101 of the Bankruptcy Code). The agreements in this Section 10(m) shall survive the termination of this Agreement and the payment of all amounts payable hereunder. For purposes of this Section 10(m), any reference to the Depositor shall include any officer, director, employee or agent thereof, or any successor or assignee thereof or of the Depositor.

IN WITNESS WHEREOF, the parties have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

SIERRA DEPOSIT COMPANY, LLC, as Depositor

By:

Name:
Title:

[NAME OF APPROVED SELLER] as Assignor

By:

Name:
Title:

WYNDHAM CONSUMER FINANCE, INC., by the signature of its duly authorized officer below, hereby acknowledges Section 8 of this Agreement and hereby agrees that it will satisfy its obligations as Seller under Section [7][1] of the Series [ ] Supplement [list all applicable Supplements] to the Purchase Agreement with respect to Seller Defective Loans (as defined in this Agreement) solely by repurchasing such Seller Defective Loans in accordance with the applicable terms of such Supplement[s] and not by providing a substitute loan or loans.

WYNDHAM CONSUMER FINANCE, INC., as Seller

By:

Name:
Title:

[1] Section number in which the obligation to purchase Defective Loans appears in the relevant Supplement.

EXHIBIT A

[to be provided]

Exhibit K

[Form of]

APPROVED LOAN PERFORMANCE GUARANTY

APPROVED LOAN PERFORMANCE GUARANTY (this "Guaranty") dated as of [ ] [ ], 20__ is made by Wyndham Destinations, Inc., a Delaware corporation ("Wyndham Destinations") in favor of Sierra Deposit Company, LLC, a Delaware limited liability company (the "Depositor"), Sierra Timeshare Conduit Receivables Funding II, LLC, a Delaware limited liability company (the "Series 2008-A Issuer"), Wells Fargo Bank, National Association, as trustee (the "Series 2008-A Trustee") and U.S. Bank National Association, as collateral agent (the "Collateral Agent") under the Indenture and Servicing Agreement referenced below for the benefit of holders of the Series 2008-A Notes issued pursuant to such Indenture and Servicing Agreement and under any Exchange Notes issued pursuant to an Exchange Notes Indenture.

PRELIMINARY STATEMENTS

WHEREAS, [Name of Approved Seller], a Delaware limited liability company (the "Assignor") has sold Loans and related Transferred Assets to the Depositor under the terms of the Sale and Assignment Agreement dated as of _____, __,20__ (the "Sale and Assignment Agreement");

WHEREAS, the Depositor has sold the Assets acquired under the Sale and Assignment Agreement to the Series 2008-A Issuer;

WHEREAS, the Series 2008-A Issuer, Wyndham Consumer Finance, Inc. ("WCF") a Delaware corporation, as servicer (in such capacity, the "Servicer"), the Trustee and the Collateral Agent have entered into that certain Indenture and Servicing Agreement dated as of November 7, 2008 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Series 2008-A Indenture") and may, from time to time, enter into one or more Exchange Notes Indentures (as such term is defined in the Series 2008-A Indenture);

WHEREAS, the Series 2008-A Issuer has, under the terms of the Series 2008-A Indenture, issued its Loan-Backed Variable Funding Notes, Series 2008-A (the "Series 2008-A Notes") and may, from time to time, under the terms of one or more Exchange Notes Indentures, issue Exchange Notes (as such term is defined in the Series 2008-A Indenture);

WHEREAS, the Series 2008-A Notes are secured by and payable from a portfolio of Pledged Loans (as such term is defined in the Series 2008-A Indenture) and related Pledged Assets (as such term is defined in the Series 2008-A Indenture) including the Assets sold by the Assignor to the Depositor under the Sale and Assignment Agreement;

WHEREAS, any Exchange Notes will be secured by and payable from a portfolio of Pledged Loans and related Pledged Assets which may include a portion of the Assets sold by the Assignor to the Depositor under the Sale and Assignment Agreement;

WHEREAS, each of the Assignor, the Series 2008-A Issuer and the Depositor are wholly-owned direct or indirect subsidiaries of Wyndham Destinations;

WHEREAS, Wyndham Destinations expects to receive substantial direct and indirect benefits from the transactions contemplated in the Sale and Assignment Agreement and the Series 2008-A Indenture; and

WHEREAS, as an inducement for the Series 2008-A Noteholders (as such term is defined in the Series 2008-A Indenture) to purchase and retain the Series 2008-A Notes and from time to time to increase their purchase of Series 2008-A Notes, Wyndham Destinations has agreed to enter into and undertake its obligations as provided in this Guaranty.

NOW, THEREFORE, Wyndham Destinations hereby agrees with the Series 2008 A Issuer, the Depositor, the Series 2008-A Trustee and the Collateral Agent, as follows:

Section 1. Definitions

. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Sale and Assignment Agreement, as in effect on the date of this Guaranty. As used herein, the following terms shall have the following meanings:

"Assignor Obligations" means, collectively, all covenants, agreements, terms, conditions and other obligations to be performed and observed by the Assignor under the Sale and Assignment Agreement as such covenants, agreements, terms, conditions and other obligations arise in connection with or otherwise relate in any way to the Loans and related Transferred Assets, and shall include without limitation the due and punctual payment when due of all sums that are or may become owing by the Assignor under the Sale and Assignment Agreement in connection with the Loans or Transferred Assets, whether in respect of fees, expenses (including counsel fees), taxes, indemnified amounts or otherwise, which obligations should include without limitation the Defective Loan Obligations.

"Closing Date" means [ ] [ ], 20__.

"Guaranteed Party" means each of the Depositor, the Series 2008-A Issuer, the Series 2008-A Trustee and the Collateral Agent on behalf of all holders of Series 2008-A Notes and Exchange Notes.

"Defective Loan Obligations" means the obligation of the Assignor set forth in Section 8 of the Sale and Assignment to repurchase any Loan that (a) is a Defective Loan under the terms of the Sale and Assignment Agreement, but (b) is not a Defective Loan required to be repurchased by the Seller under the Purchase Agreement.

"Obligations" means the Seller Obligations and the Assignor Obligations.

"Performance Guarantor" means Wyndham Destinations.

"Seller Obligations" means, collectively, all covenants, agreements, terms, conditions and other obligations to be performed and observed by the Seller under the Purchase Agreement as such covenants, agreements, terms, conditions and other obligations arise in connection with, or otherwise relate in any way to, the Loans and the related Transferred Assets, and shall include without limitation the due and punctual payment when due of all sums that are or may become owing by the Seller under the Purchase Agreement in connection with the Loans or the related Transferred Assets, whether in respect of fees, expenses (including counsel fees), taxes, indemnified amounts or otherwise, including without limitation any such fees, expenses and other amounts that accrue after the commencement of any Insolvency Proceeding with respect to such Seller (in each case whether or not allowed as a claim in such Insolvency Proceeding) and shall include, without limitation, the obligations of the Seller under [Section [number in which the obligation to purchase Defective Loans appears] of the Series [ ] Supplement [list all applicable Supplements] which are included as part of the Purchase Agreement.

Section 2. Guaranty of Seller Obligations

. Wyndham Destinations hereby guarantees to the Depositor, the Series 2008-A Issuer, the Series 2008-A Trustee, the trustee under any Exchange Notes Indenture and the Collateral Agent on behalf of all holders of Series 2008-A Notes and any Exchange Notes the full and punctual payment and performance of all of the Seller Obligations.

Section 3. Guaranty of Assignor Obligations

. Wyndham Destinations hereby guarantees to the Depositor, the Series 2008-A Issuer, the Series 2008-A Trustee, the trustee under any Exchange Notes Indenture and the Collateral Agent on behalf of all holders of Series 2008-A Notes and any Exchange Notes the full and punctual payment and performance of the Assignor Obligations.

Section 4. Performance Guarantor's Further Agreements to Pay

. Wyndham Destinations further agrees, as the principal obligor and not as a guarantor only, that it will pay to each Guaranteed Party, forthwith upon demand in funds immediately available to such Guaranteed Party, all reasonable costs and expenses (including court costs and reasonable legal expenses) incurred or expended by such Guaranteed Party in connection with the enforcement of the Obligations and this Guaranty, together with interest on amounts recoverable under this Guaranty from the time when such amounts become due until payment, at a rate of interest (computed for the actual number of days elapsed based on a 360 day year) equal to the rate of interest most recently published in The Wall Street Journal as the "Prime Rate" plus 2%. Changes in the rate payable hereunder shall be effective on each date on which a change in the "Prime Rate" is published.

Section 5. Guaranty Absolute

. Wyndham Destinations guarantees that the Obligations will be performed strictly in accordance with the terms of the Purchase Agreement and the Sale and Assignment Agreement regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting

any of such terms; provided, however, nothing herein shall be construed to require Wyndham Destinations to act in violation of any law, regulation or order. The obligations of Wyndham Destinations under this Guaranty are independent of the Obligations, and a separate action or actions may be brought and prosecuted against Wyndham Destinations to enforce this Guaranty, irrespective of whether any action is brought against the Seller or the Assignor, or whether the Seller or the Assignor is joined in any such action or actions. This Guaranty is an absolute, unconditional and continuing guaranty of the full and punctual payment and performance of all of the Obligations. Wyndham Destinations agrees that the validity and enforceability of this Guaranty shall not be impaired or affected by any of the following:

i. any lack of validity or enforceability of the Purchase Agreement or the Sale and Assignment Agreement;

ii. any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligations, or any other amendment or waiver of or any consent to departure from the Purchase Agreement or the Sale and Assignment Agreement;

iii. any taking, exchange, release or non-perfection of any collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations;

iv. any manner of application of collateral or proceeds thereof to all or any of the Obligations, or any manner of sale or other disposition of any collateral for all or any of the Obligations or any other assets of the Seller or the Assignor;

v. any change, restructuring or termination of the corporate or other structure or existence of the Seller or the Assignor; or

vi. any other circumstance that might otherwise constitute a defense (other than payment and performance) available to, or a discharge of the Seller or the Assignor the Assignor or either of their affiliates or any guarantor.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Series 2008-A Trustee upon the insolvency, bankruptcy or reorganization of the Seller or the Assignor or otherwise, all as though such payment had not been made.

Section 6. Waiver by Performance Guarantor

. Wyndham Destinations waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Guaranty and any requirement that the Series 2008-A Trustee protect, secure, perfect or insure any security interest or lien or any property subject to the Series 2008-A Indenture or exhaust any right or take any action against or any other person or entity or any collateral.

Section 7. Subrogation

. Wyndham Destinations will not exercise any rights which it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all the Obligations and all other amounts payable under this Guaranty shall have been paid in full, and the Series 2008-A Notes and all Exchange Notes have been paid in full. If any amount shall be paid to Wyndham Destinations as Performance Guarantor under this Agreement on account of such subrogation rights at any time prior to the payment in full of all amounts described in the prior sentence, such amount shall be held in trust for the benefit of the Guaranteed Parties and shall forthwith be paid to the Guaranteed Parties to be credited and applied upon the Obligations owed to the Guaranteed Parties, in accordance with the terms of the applicable Facility Documents (as such term is defined in the Series 2008-A Indenture). If (i) Wyndham Destinations shall make payment to the Guaranteed Parties of all or any part of the Obligations and, (ii) all Obligations and all other amounts payable under this Guaranty shall be paid in full, the Guaranteed Parties will, at Wyndham Destinations' request, execute and deliver to the Performance Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Performance Guarantor of an interest in the Obligations resulting from any such payment made by the Performance Guarantor hereunder. Notwithstanding the foregoing or any other provision of this Guaranty, the Seller or the Assignor may enter into a reimbursement agreement with Wyndham Destinations under which the Seller or the Assignor agrees to reimburse the Performance Guarantor for amounts the Performance Guarantor may be obligated to pay under this Guaranty as long as any such reimbursement shall be paid only from amounts that are not otherwise available to pay any Obligations.

Section 8. Representations and Warranties

. Wyndham Destinations represents and warrants as of the Closing Date that:

i.Organization and Good Standing. It is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

ii.No Conflict or Violation. The execution, delivery and performance by it of this Guaranty and the transactions contemplated hereby are within its corporate powers, have been duly authorized by all requisite corporate action and do not contravene (i) any of the terms and provisions of its certificate of incorporation or its by-laws, (ii) any law, rule or regulation applicable to it the violation of which would have a material adverse effect on its performance hereunder, (iii) any contractual restriction binding on or affecting it or its properties the violation of which would have a material adverse effect on its performance hereunder or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its properties the violation of which would have a material adverse effect on its performance hereunder. It has duly executed and delivered this Guaranty.

iii.Power and Authority; Due Authorization. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other person is required for the due execution, delivery and performance by it of this Guaranty.

iv.Binding Obligation. This Guaranty is its legal, valid and binding obligation and is enforceable against it in accordance with the terms of this Guaranty, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization and similar laws of general applicability relating to or affecting creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

v.No Litigation. There is no action, suit or proceeding pending, or to its knowledge threatened, affecting it or its property before any court, governmental agency or arbitrator that materially adversely affects its ability to perform its obligations under this Guaranty, or that purports to affect the legality, validity or enforceability of this Guaranty.

vi.Rank of Obligations. Its obligations under this Guaranty do rank and will rank at least pari passu in priority of payment and in all other respects with all of its unsecured indebtedness.

Section 9. Payment Free and Clear of Taxes, Etc.

vii.Any and all payments made by Wyndham Destinations hereunder shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of the Series 2008-A Trustee and the Collateral Agent (each an "Indemnified Party"), taxes imposed on its income and franchise taxes imposed on it by the jurisdiction under the laws of which the Indemnified Party is organized (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities imposed on payments made by Wyndham Destinations hereunder being hereinafter referred to as "Taxes"). If Wyndham Destinations shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Indemnified Party, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 8) such Indemnified Party receives an amount equal to the sum it would have received had no such deductions been made, (ii) Wyndham Destinations shall make such deductions, and (iii) Wyndham Destinations shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

viii.In addition, Wyndham Destinations agrees to pay any present or future stamp or documentary taxes or other excise or property taxes, charges or similar levies (but excluding all taxes that are excluded under Section 8(a) that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Guaranty (hereinafter referred to as "Other Taxes").

ix.Wyndham Destinations shall indemnify each Indemnified Party for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 8) paid by such Indemnified Party and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This

indemnification shall be made within thirty (30) days from the date such Indemnified Party makes written demand therefor.

x.Wyndham Destinations, as applicable, shall within thirty (30) days after the date of any payment of Taxes furnish each Indemnified Party, at its address referred to in Section 12, evidence of payment thereof.

xi.Without prejudice to the survival of any other agreement of Wyndham Destinations hereunder, the agreements and obligations of the Performance Guarantor contained in this Section 8 shall survive any termination of the Purchase Agreement or the Sale and Assignment Agreement, any Facility Documents or any Exchange Notes Indenture and any documents related thereto.

Section 10. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF OBJECTION TO VENUE

. THIS GUARANTY IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. WYNDHAM DESTINATIONS, THE DEPOSITOR, THE SERIES 2008-A ISSUER, THE SERIES 2008-A TRUSTEE AND THE COLLATERAL AGENT EACH HEREBY AGREES TO THE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

Section 11. WAIVER OF JURY TRIAL

. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

Section 12. Amendments, Etc

. No amendment or waiver of any provision of this Guaranty or consent to any departure by the Performance Guarantor therefrom shall be effective unless the same shall be in writing and signed by the Depositor, the Series 2008-A Issuer, the Series 2008-A Trustee, the Collateral Agent and, if any trustee is appointed under any Exchange Notes Indenture, such trustee under

that Exchange Notes Indenture, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. It shall be a condition to the execution by the Series 2008-A Trustee of any such amendment, waiver or consent that the Rating Agency Condition (as such term is defined in the Series 2008-A Indenture) shall have been satisfied.

Section 13. Notices, Etc

. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telex communication and communication by facsimile copy) and mailed, telexed, transmitted or delivered, as to each party hereto, at its address set forth under its name on the signature pages hereof or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (b) notice by telex, when telexed against receipt of answerback, or (c) notice by facsimile copy, when verbal communication of receipt is obtained.

Section 14. No Waiver; Remedies

. No failure on the part of any Guaranteed Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 15. Termination of the Performance Guarantor's Obligations under the Guaranty

. The Performance Guarantor's obligations hereunder shall continue in full force and effect until the date that is one year and one day after the first day on which all Series 2008-A Notes and Exchange Notes have been paid in full. This Guaranty shall continue to be effective or shall be reinstated, as the case may be, with respect to the Performance Guarantor if at any time payment or other satisfaction of any of the Obligations is rescinded or must otherwise be restored or returned in connection with any Insolvency Proceeding with respect to the Seller or the Assignor, or any other Person or otherwise, as though such payment had not been made or other satisfaction occurred, whether or not the Performance Guarantor is in possession of this Guaranty. To the extent permitted by law, no invalidity, irregularity or unenforceability by reason of the Bankruptcy Code or any insolvency or other similar law, or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect the Obligations shall impair, affect, be a defense to or claim against the obligations of the Performance Guarantor under this Guaranty.

Section 16. Successors and Assigns

. This Guaranty shall be binding upon Wyndham Destinations and its successors and permitted assigns, and Wyndham Destinations shall not assign any of its rights or obligations hereunder without the prior written consent of the Series 2008-A Trustee which consent shall be given only if the Majority Holders (as such term is defined in the Series 2008-A Indenture) and the holders of a majority in principal amount of each series of Exchange Notes consent and the Rating Agency Condition has been satisfied. The benefits of this Guaranty shall inure to the benefit of, and be enforceable by, the Guaranteed Parties, and their respective successors, transferees and assigns.

Section 17. Effect of Bankruptcy

. To the extent permitted by law, this Guaranty shall survive the occurrence of any Insolvency Proceeding with respect to the Seller, the Assignor, the Series 2008-A Issuer, or any other Person. To the extent permitted by law, no automatic stay under the Bankruptcy Code or other federal, state or other applicable bankruptcy, insolvency or reorganization statutes to which the Seller or the Assignor or the Series 2008-A Issuer is subject shall postpone the obligations of the Performance Guarantor under this Guaranty.

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IN WITNESS WHEREOF, the Performance Guarantor has caused this Guaranty to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WYNDHAM DESTINATIONS, as Performance Guarantor

By:

Name:
Title:

Address: 6277 Sea Harbor Drive

Orlando, Florida 32821
Telephone:
Telecopier:
Acknowledged and accepted as of

this __ day of [ ], 20___:
SIERRA TIMESHARE CONDUIT

RECEIVABLES FUNDING II, LLC,
as Issuer
By:

Name:
Title:
Address: 10750 West Charleston Blvd.

Suite 130, Mail Stop 2064
Las Vegas, Nevada 89135
Telephone:
Telecopier:
SIERRA DEPOSIT COMPANY, LLC,

as Depositor
By:

Name:
Title:
Address: 10750 West Charleston Blvd.

Suite 130, Mailstop 2067
Las Vegas, Nevada 89135
Telephone:
Telecopier:

U.S. BANK NATIONAL ASSOCIATION,

as Collateral Agent
By:

Name:
Title:
Address: 269 Technology Way

Building B, Unit 3
Rocklin, CA 96765
Attention: Structured Finance Trust Services
Telephone:
Telecopier:
WELLS FARGO BANK, NATIONAL

ASSOCIATION,
as Series 2008-A Trustee
By:

Name:
Title:
Address: Sixth & Marquette

MAC N9311 161
Minneapolis, Minnesota 55479
Telephone:
Telecopier:

Exhibit 10.24

May 16, 2018

Brad Dettmer
7757 Summerlake Pointe Blvd
Winter Garden, FL 34787

Dear Mr. Dettmer:

We are pleased to confirm the terms and conditions of your employment with Wyndham Destinations, Inc. (the "Company") as Chief Information Officer, effective as of June 1, 2018 (the "Effective Date"). This position reports to the Chief Executive Officer of the Company.

Your base salary, paid on a biweekly basis, will be $13,846.15, which equates to an annualized base salary of $360,000, subject to annual review by the Company's Board of Directors' Compensation Committee (the 'Committee') in its sole discretion.

You will be eligible to participate in the Company's annual incentive compensation plan as in effect from time to time (the "AIP"), with a target annual incentive compensation award opportunity equal to 75% of your eligible base salary, and with your actual annual incentive compensation award (if any) determined based upon the attainment of one or more performance goals established by the Compensation Committee of the Company's Board of Directors (the "Compensation Committee"). However, for the period of January 1, 2018 through the date immediately before the Effective Date (the "Pre-Spin Period"), your annual incentive compensation award will be determined pursuant to the guidelines provided under the Wyndham Worldwide Corporation 2018 AIP and based on your Pre-Spin annual incentive compensation target, as determined by the Compensation Committee of the Board of Directors of Wyndham Worldwide Corporation. For the balance of 2018, your annual incentive compensation award will be subject to the terms of the AIP and based upon your eligible base salary during that period and your new incentive compensation target opportunity. Your annual incentive compensation award, including any annual incentive compensation award for the Pre-Spin Period, (if any) will be paid to you at such time as shall be determined by the Compensation Committee, but in no event later than the last day of the calendar year immediately following the calendar year in which such annual incentive compensation award is earned.

You will be eligible for executive perquisites, which currently include Company-provided automobile and financial planning assistance; however, our program is subject to change from time to time. In accordance with our reimbursement policy, as the same may be amended from time to time, the Company will reimburse all taxable business expenses to you on or before the last day of your taxable year following the taxable year in which the expenses are incurred.

Per the Company's standard policy, this letter agreement (this "Agreement") is not intended, nor should it be considered, to be an employment contract for a definite or indefinite period of time. As you know, employment with the Company is at will, and either you or the Company may terminate your employment at any time, with or without Cause and with or without prior notice. For purposes of this Agreement, "Cause" means any of the following: (a) your willful failure to

substantially perform your duties as an employee of the Company or any subsidiary (other than any such failure resulting from incapacity due to physical or mental illness), (b) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct by you against the Company or any subsidiary, (c) your conviction of a felony or any crime involving moral turpitude (which conviction, due to the passage of time or otherwise, is not subject to further appeal), (d) your gross negligence in the performance of your duties, or (e) your purposefully or negligently making (or having been found to have made) a false certification to the Company pertaining to its financial statements. Unless the Company reasonably determines in its sole discretion that your conduct is not subject to cure, then the Company will provide notice to you of its intention to terminate your employment for Cause hereunder, along with a description of your conduct which the Company believes gives rise to Cause, and provide you with a period of fifteen (15) days in which to cure such conduct and/or challenge the Company's determination that Cause exists hereunder; provided, however, that (i) the determination of whether such conduct has been cured and/or gives rise to Cause shall be made by the Company in its sole discretion; and (ii) the Company shall be entitled to immediately and unilaterally restrict or suspend your duties during such fifteen (15)-day period pending such determination.

In the event your employment with the Company is terminated by the Company other than for Cause (not, for the avoidance of doubt, due to your death or your Disability (as such term is defined in the Company's long-term disability plan)) (a "Qualifying Termination"), subject to the terms and conditions set forth in this Agreement, you will receive severance pay equal to 200% multiplied by the sum of: (a) your then current base salary; plus (b) an amount equal to the highest annual incentive compensation award paid to you with respect to the three (3) fiscal years of the Company immediately preceding the fiscal year in which your termination of employment occurs, but in no event shall the amount (b) exceed your then target compensation incentive award. In the event you become entitled to severance pay under the circumstances described in this Agreement during the three (3) years following the Effective Date, the amount (b) above shall be no less than your then target annual incentive compensation award.

The severance pay will be paid to you in the form of a cash lump sum payment, less all applicable withholdings and deductions, in the first payroll period following the date on which the separation agreement referenced in the following paragraph becomes effective and non-revocable; provided that, to the extent your severance payment is subject to Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance issued thereunder (collectively, "Code Section 409A"), your termination of employment must constitute a "separation from service" under Code Section 409A; provided, further, that in the event the period during which you are entitled to consider (and revoke, if applicable) such separation agreement spans two calendar years, then any payment that otherwise would have been payable during the first calendar year will in no case be made until the later of (a) the end of the revocation period (assuming that you do not revoke) and (b) the first business day of the second calendar year (regardless of whether you used the full time period allowed for consideration), as and to the extent required for purposes of Code Section 409A; and provided, further, that the Company shall have the right to offset against such severance pay any then-existing documented and bona fide monetary debts you owe to the Company or any of its subsidiaries, to the extent permissible under Code Section 409A.

The above provision of severance pay is subject to, and contingent upon, your execution and non-revocation of a separation agreement, in such form as is determined by the Company, within sixty (60) days of your termination date. Such separation agreement will require you to release all of your actual and purported claims against the Company and its affiliates (including, without limitation, the Company's affiliated individuals and entities) and will be in substantially the form attached hereto as Exhibit A.

You will be eligible to continue to participate in the Company health plans in which the Executive participates (medical, dental and vision) through the end of the month in which the Executive's termination becomes effective. Following such time, the Executive may elect to continue health plan coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**"), and if the Executive elects such coverage, the Company will reimburse the Executive for the costs associated with such continuing health coverage under COBRA until the earlier of (x) eighteen (18) months from the coverage commencement date and (y) the date on which the Executive becomes eligible for health and medical benefits from a subsequent employer.

You agree that you will, with reasonable notice during or after your employment with the Company, furnish such information as may be in your 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. During your employment, you will comply in all respects with the Company's Business Principles, policies and standards. After your employment with the Company, you 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 you for any reasonable out-of-pocket expenses incurred by you by reason of such cooperation, including any loss of salary due, to the extent permitted by law, and the Company will make reasonable efforts to minimize interruption of your life in connection with your cooperation in such matters as provided for in this paragraph.

You recognize and acknowledge 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 your duties under this Agreement. You will not, during your employment with the Company or thereafter, except to the extent reasonably necessary in performance of your duties under this Agreement, give to any person, firm, association, corporation, or governmental agency any Information, except as may be required by law. You will not make use of the Information for your own purposes or for the benefit of any person or organization other than the Company or any of its affiliates. You will also use your 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 you or otherwise coming into your possession, are confidential and will remain the property of the Company or its affiliates.

Upon a Qualifying Termination, you will be eligible to vest in and be paid a pro-rata portion of any performance-based long-term incentive award (excluding stock options and stock appreciation rights) that you may hold at the time of such Qualifying Termination, with such pro-ration based upon the portion of the full performance period during which you were employed by the Company plus twelve (12) months (or, if less, assuming your continued employment for the entire performance period remaining after your Qualifying Termination); provided that the performance goals applicable to the performance-based long-term incentive award are achieved. Payment of any such vested performance-based long-term incentive award will occur at the same time that such performance-based long-term incentive awards are paid to actively-employed employees generally. In addition, all long-term incentive awards that are not subject to performance-based vesting and that would have otherwise vested within the twelve (12)-month period following your Qualifying Termination will become vested upon your Qualifying Termination, and any such long-term incentive awards which are stock options or stock appreciation rights will remain outstanding for a period of two (2) years (but not beyond the original expiration date) following your Qualifying Termination. This paragraph shall not supersede or replace any provision or right relating to the acceleration of the vesting of any long-term incentive award (whether or not performance-based) in the event of a change in control of the Company or your death or disability, whether pursuant to an applicable stock plan document or award agreement.

Although the Company does not guarantee to you any particular tax treatment relating to any payments made or benefits provided to you in connection with your employment with the Company, it is intended that such payments and benefits be exempt from, or comply with, Code Section 409A, and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A.

You hereby acknowledge and agree to the dispute resolution provisions set forth in Appendix A attached hereto.

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.

We are excited to have you contribute to the success of our newly-formed company and look forward to having you as a member of our team.

Sincerely,

By: Wyndham Destinations, Inc.

/s/ Michael Brown
Name: Michael Brown
Title: Chief Executive Officer

ACKNOWLEDGED AND ACCEPTED:

_/s/ Brad Dettmer_____

Name: Brad Dettmer
Date: May 21, 2018

APPENDIX A

1. You and the Company mutually consent to the resolution by final and binding arbitration of any and all disputes, controversies, or claims related in any way to your employment and/or relationship with the Company, including, without limitation, any dispute, controversy or claim of alleged discrimination, harassment, or retaliation (including, but not limited to, claims based on race, sex, sexual preference, religion, national origin, age, marital or family status, medical condition, or disability); any dispute, controversy, or claim arising out of or relating to any agreements between you and the Company, including this Agreement; and any dispute as to the ability to arbitrate a matter under this Agreement (collectively, "**Claims**"); provided, however, that nothing in this Agreement shall require arbitration of any Claims which, by law, cannot be the subject of a compulsory arbitration agreement, and nothing in this Agreement shall be interpreted to mean that you are precluded from filing complaints with the Equal Employment Opportunity Commission or the National Labor Relations Board.

2. Any party who is aggrieved will deliver a notice to the other party setting forth the specific points in dispute within the same statute of limitations period applicable to such Claims. Any points remaining in dispute twenty (20) days after the giving of such notice may be submitted to arbitration in New York, New York, in the Borough of Manhattan, to JAMS, before a single arbitrator appointed in accordance with the Employment Arbitration Rules and Procedures of JAMS ("**JAMS Rules**") then in effect, modified only as herein expressly provided. The arbitrator shall be selected in accordance with the JAMS Rules; provided that the arbitrator shall be an attorney (i) with at least ten (10) years of significant experience in employment matters and/or (ii) a former federal or state court judge. 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. The arbitrator will be empowered to award either party any remedy, at law or in equity, that the party would otherwise have been entitled to, had the matter been litigated in court; provided, however, that the authority to award any remedy is subject to whatever limitations, if any, exist in the applicable law on such remedies. The arbitrator shall issue a decision or award in writing, stating the essential findings of fact and conclusions of law. Any judgment on or enforcement of any award, including an award providing for interim or permanent injunctive relief, rendered by the arbitrator may be entered, enforced, or appealed in any court having jurisdiction thereof. Any arbitration proceedings, decision, or award rendered hereunder, and the validity, effect, and interpretation of this arbitration provision, shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq.

3. Each party to any dispute shall pay its own expenses, including attorneys' fees; provided, however, that the Company shall pay all reasonable costs, fees, and expenses that you would not otherwise have been subject to paying if the Claim had been resolved in a court of competent jurisdiction.

4. The parties agree that this Appendix A has been included to rapidly, inexpensively and confidentially resolve any disputes between them, and that this Appendix A will be grounds for dismissal of any court action commenced by either party with respect to this Agreement, except as otherwise provided in Paragraph 1 herein, other than (i) any action seeking a restraining order or other injunctive or equitable relief or order in aid of arbitration or to compel arbitration from a court of competent jurisdiction, (ii) any action seeking interim injunctive or equitable relief from the arbitrator pursuant to the JAMS Rules or (iii) post-arbitration actions seeking to enforce an arbitration award from a court of competent jurisdiction. 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.

5. The parties will keep confidential, and will not disclose to any person, except to counsel for either of the parties and/or 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. Accordingly, you and the Company agree that all proceedings in any arbitration shall be conducted under seal and kept strictly confidential. In that regard, no party shall use, disclose, or permit the disclosure of any information, evidence, or documents produced by any other party in the arbitration proceedings or about the existence, contents, or results of the proceedings, except as necessary and appropriate for the preparation and conduct of the arbitration proceedings, or as may be required by any legal process, or as required in an action in aid of arbitration, or for enforcement of or appeal from an arbitral award. Before making any disclosure permitted by the preceding sentence, the party intending to make such disclosure shall give the other party reasonable written notice of the intended disclosure and afford such other party a reasonable opportunity to protect its interests (e.g., by application for a protective order and/or to file under seal).

Exhibit 10.25

AGREEMENT AND GENERAL RELEASE

WYNDHAM VACATION OWNERSHIP, INC. (the "Company") and **BRAD DETTMER**, (hereinafter collectively with his/her heirs, executors, administrators, successors and assigns, **"DETTMER"**), mutually desire to enter into this Agreement and General Release, dated May 4, 2020 (the "Agreement Date"), and agree that:

The terms of this Agreement and General Release are the products of mutual negotiation and compromise between **DETTMER** and the Company; and

DETTMER fully understands the meaning, effect and terms of this Agreement and General Release; and

DETTMER is hereby advised, in writing, by the Company that he/she should consult with an attorney prior to executing this Agreement and General Release; and

DETTMER is being afforded at least sixty (60) days from the date **DETTMER** receives this Agreement and General Release to consider the meaning and effect of this Agreement and General Release; provided that **DETTMER** understands and agrees that **DETTMER** cannot execute this Agreement and General Release prior to the Last Date of Employment (as defined below); and

DETTMER understands that he/she may revoke this Agreement and General Release for a period of seven (7) calendar days following the day he/she executes this Agreement and General Release, and this Agreement and General Release shall not become effective or enforceable until the revocation period has expired, and no revocation has occurred prior to expiration of the revocation period. Any revocation within this period must be submitted, in writing, to the Company and state, "I hereby revoke my acceptance of the Agreement and General Release." Said revocation must be personally delivered, mailed, emailed or faxed to the Company or its designee, and in each case, received by the Company within seven (7) calendar days of execution of this Agreement and General Release; otherwise, the effective date of this Agreement and General Release shall be the 8th calendar day after **DETTMER** executes this Agreement and General Release ("Effective Date"); and

DETTMER has carefully considered other alternatives to executing this Agreement and General Release.

THEREFORE, **DETTMER** and the Company, for the full and sufficient consideration set forth below, agree as follows:

1. **DETTMER** agrees to remain employed in good standing through June 15, 2020, but is subject to change ("Last Date of Employment" or "Termination Date"). Effective as of the Last Date of Employment, any position held by **DETTMER** as an officer, director or fiduciary of any Company-related entity shall be terminated. Other than as set forth below, **DETTMER** shall not be eligible for or entitled to any other compensation or benefits from the Company following the Last Date of Employment.

2. In consideration for the execution and non-revocation by **DETTMER** of this Agreement and General Release and compliance with the promises made herein, the Company agrees:

i. **DETTMER** will receive the Severance set forth below:

- $1,297,800 in severance pay subject to applicable deductions for taxes, benefits or other amounts required by law. 401(k) contributions will not be deducted from your severance pay. This payment represents 200% of your base salary plus an amount equal to your target annual bonus (the amount referenced in the Letter Agreement)

- $47,316 – equivalent amount for reimbursement costs for continuing health care coverage under COBRA, pursuant to the Letter Agreement. The Company will continue to provide you with health insurance coverage at the employee contribution rate through the end of the month in your employment ends. Beginning the first day of the following month, you may elect to continue coverage through COBRA. If you wish to elect COBRA continuation coverage, you must complete a COBRA form, which will be sent to you under separate cover after your separation date.

    - These payments are subject to, and contingent upon, your execution and non-revocation of the Agreement and General Release within 60 days following the date hereof. If this condition is satisfied, such payments will be made in the form of a cash lump sum payment in the first payroll period following the date on which the Agreement and General Release become effective and non-revocable.

- The following stock grants which will become vested upon termination, subject to withholding for applicable taxes, and for the avoidance of doubt, contingent upon your execution and non-revocation of the Agreement and General Release.

Grant Date	Grant Type	Number
6/1/2018	RSU	2887
6/1/2018	NQ	5527
3/7/2019	RSU	2112
3/7/2019	NQ	5220
3/4/2020	RSU	2284
3/4/2020	NQ	6447

Outstanding vested NQ Stock Options will remain exercisable for 5 years from termination but not beyond the original expiration date.

- Additionally, the following grants subject to your outstanding Performance Share Unit (PSU) grants as of June 15, 2020 (the date of termination) will vest and will be paid (representing a pro-rata portion of PSU awards as of June 15, 2020 (the date of termination), with 12 additional months of vesting credit) at the same time generally paid to active employees, provided the Company's applicable performance goals are met.

3/7/2019 PSU 3457
3/4/2020 PSU 2217

ii. The Company will provide **DETTMER** with a neutral reference. Inquiries should be directed to The Work Number at 1-800-996-7566, which will be advised only as to the dates of **DETTMER's** employment and his/her most recent job title. Last salary will be provided if **DETTMER** has provided a written release for the same.

iii. Outplacement Services to be provided to **DETTMER** with a company selected by the Company.

iv. For the avoidance of doubt, **DETTMER** is not entitled to any future Company incentive awards or equity rights that may otherwise be provided to officers or employees of the Company after the Agreement Date.

v. To the extent he/she is currently participating therein, **DETTMER** shall continue to be eligible to participate in the Company's Officer Deferred Compensation Plan and/or 401(k) Plan up to and including the Last Date of Employment, in accordance with and subject to the terms thereof.

vi. **DETTMER** shall continue to be eligible to participate in the Company health plan in which he/she currently participates through the end of the month in which the Last Date of Employment occurs. Regardless of whether **DETTMER** signs this Agreement, following the Last Date of Employment, **DETTMER** may elect to continue health plan coverage in accordance with and subject to the provisions of the Consolidated Omnibus Budget Reconciliation Act or any similar state or local law, at his/her sole expense.

vii. Through and until the Last Date of Employment, **DETTMER** shall be eligible to continue to use the vehicle provided to him/her through the Company's executive car lease program in which he/she currently participates, upon the same terms as currently are in effect for him/her. **DETTMER** shall have the option to purchase the vehicle on the Last Date of Employment in accordance with and subject to the terms of such executive car lease program. If **DETTMER** chooses not to purchase the vehicle, **DETTMER** shall relinquish the vehicle to the Company's Human Resources Department on or before the Last Date of Employment.

3. Other than the accelerated vesting described above, nothing contained herein shall affect the terms of restricted stock shares previously awarded to **DETTMER,** if any, previously awarded under the Wyndham Destinations, Inc. 2006 Equity and Incentive Plan, as amended from time to time ("Plan") which shall continue to be governed under the terms and conditions of the Plan. All other outstanding, unvested award amounts will be forfeited or will lapse as of **DETTMER'S** Last Date of Employment.

4. **DETTMER** understands and agrees that he/she would not receive the Severance and Outplacement Services referenced in Paragraph 2 above, except for his/her execution and non-revocation of this Agreement and General Release, and the fulfillment of the promises contained herein, and that such consideration is greater than any amount to which he/she would otherwise be entitled.

5. **DETTMER**, on behalf of himself/herself and his/her heirs, executors, administrators, successors, and assigns, of his/her own free will, knowingly and voluntarily releases and forever discharges the Company and its affiliates and subsidiaries, and each of its and their past, present and future parent entities, subsidiaries, affiliates, divisions, joint ventures, directors, members, officers, executives, employees, agents, representatives, attorneys and stockholders, and any and all employee benefit plans maintained by any of the above entities and their respective plan administrators, committees, trustees and fiduciaries individually and in their representative capacities, and its and their respective predecessors, successors and assigns (both individually and in their representative capacities) (collectively referred to throughout this Agreement and General Release as the "Released Parties"), of and from any and all actions, causes of action, suits, claims, cross-claims, counter-claims, charges, complaints, controversies, actions, promises, demands, debts, and contracts (whether oral or written, express or implied from any source), of any nature whatsoever, in law or equity, known or unknown, suspected or unsuspected (each a "Claim"), which **DETTMER** ever had, now has or hereafter can, shall or may have by reason of any matter, cause or thing whatsoever arising from the beginning of time to the time **DETTMER** executes this Agreement and General Release against the Released Parties, including, but not limited to:

a. any and all matters arising out of his/her employment by the Company or any of the Released Parties and the cessation of said employment, and including, but not limited to, any Claims for compensation or benefits, including salary, bonuses, equity awards, severance pay, or vacation pay;

b. arising out of any agreement with any Released Party;

c. arising from or in any way related to awards, policies, plans, programs or practices of any Released Party that may apply to **DETTMER** or in which **DETTMER** may participate;

d. any Claims under the National Labor Relations Act ("NLRA"), the Age Discrimination in Employment Act of 1967 ("ADEA") as amended by the Older Workers Benefit Protection Act ("OWBPA"), Title VII of the Civil Rights Act of 1964 ("Title VII"), Sections 1981 through 1988 of Title 42 of the United States Code, the Employee Retirement Income Security Act of 1974 ("ERISA") (except for vested benefits which are not affected by this Agreement and General Release), the Americans With Disabilities Act of 1990, as amended ("ADA"), the Fair Labor Standards Act ("FLSA"), the Occupational Safety and Health Act ("OSHA"), the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Federal Family and Medical Leave Act ("FMLA"), the Federal Worker Adjustment Retraining Notification Act or any similar state or local law ("WARN"), the Genetic Information Nondiscrimination Act of 2008, the Uniformed Services Employment and Reemployment Rights Act ("USERRA"); and;

e. Florida Civil Rights Act; Florida Whistleblower's Act; Florida Statutory Provision Regarding Retaliation/Discrimination for Filing a Workers Compensation Claim; Florida Wage Discrimination Law; Florida Equal Pay Law; Florida AIDS Act; Florida Discrimination on the Basis of Sickle Cell Trait Law; Florida OSHA; Florida Wage Payment Laws; Florida's Domestic Violence Leave Law; Florida's Preservation and Protection of the Right to Keep and Bear Arms in Motor Vehicles Act of 2008; and

f. any other federal, state or local civil or human rights law, or any other alleged violation of any local, state or federal law, act, statute, code, order, judgment, injunction, ruling, decree, writ, regulation or ordinance, and/or public policy, implied or expressed contract, fraud, negligence, estoppel, defamation, infliction of emotional distress or other tort or common-law Claim having any bearing whatsoever on the terms and conditions and/or cessation of his/her employment with the Company including, but not limited to, any allegations for compensatory damages, punitive or exemplary damages, penalties or liquidated damages, losses, liabilities, costs, fees, or other expenses, including reasonable attorneys' fees, incurred in these matters.

DETTMER understands that **DETTMER** may later discover Claims or facts that may be different than, or in addition to, those which **DETTMER** now knows or believes to exist with regards to the subject matter of this Agreement and General Release and the releases in this Paragraph 5, and which, if known at the time of executing this Agreement and General Release, may have materially affected this Agreement and General Release or **DETTMER'S** decision to enter into it. **DETTMER** hereby waives any right or Claim that might arise as a result of such different or additional claims or facts.

6. **DETTMER** also acknowledges that **DETTMER** does not have any current charge against any of the Released Parties pending before any local, state or federal agency regarding his/her employment or termination thereof. **DETTMER** represents that **DETTMER** has made no assignment or transfer of any right or Claim covered by this Agreement and General Release and**DETTMER** agrees that he/she is not aware of any such right or Claim. This Paragraph 6 shall in all respects be subject to Paragraph 15 herein.

7. Nothing in this Agreement and General Release shall release or impair (a) any right that cannot be waived by private agreement under law, including, but not limited to, any Claims for workers' compensation or unemployment insurance benefits; (b) any vested rights under any pension or 401(k) plan, and/or (c) any right to enforce this Agreement. Company and **DETTMER** acknowledge that **DETTMER** cannot waive his/her right to file a charge, testify, assist, or participate in any manner in an investigation, hearing, or proceeding under the federal civil rights laws or federal whistleblower laws. Therefore, notwithstanding the provisions set forth herein, nothing contained in this Agreement and General Release is intended to nor shall it prohibit **DETTMER** from filing a charge with, or providing information to, the United States Equal Employment Opportunity Commission ("EEOC") or other federal, state or local agency or from participating or cooperating in any investigation or proceeding conducted by the EEOC or other administrative body or governmental agency. With respect to a Claim for employment discrimination brought to the EEOC or state/local equivalent agency enforcing civil rights laws, **DETTMER** waives any right to personal injunctive relief and to personal recovery, damages, and compensation of any kind payable by any Released Party with respect to the Claims released in this Agreement and General Release as set forth in herein to the fullest extent permitted by law. This Paragraph 7 shall in all respects be subject to Paragraph 15 herein.

8. **DETTMER** affirms that he/she has not provided, either directly or indirectly, any information or assistance to any non-governmental party who may be considering or is taking legal action against the Released Parties. **DETTMER** understands that if this Agreement and General Release were not signed, he/she would have the right to voluntarily provide information or assistance to any non-governmental party who may be considering or is taking legal action against the Released Parties. **DETTMER** hereby waives that right and agrees that he/she will not provide any such assistance other than the assistance in an investigation or proceeding

conducted by the EEOC or other federal, state or local agency, or pursuant to a valid subpoena or court order. This Paragraph 8 shall in all respects be subject to Paragraph 15 herein.

9. Except as provided in Paragraph 2 herein, **DETTMER** acknowledges and agrees that he/she is not entitled to any other severance payments or benefits under any other severance plan, arrangement, agreement or program of the Company or its parent entities, affiliates or subsidiaries or any of their respective predecessors, successors and/or assigns.

10. **DETTMER** agrees not to disclose, either directly or indirectly, any information whatsoever regarding the existence or substance of this Agreement and General Release including specifically any of the terms of the payment hereunder. This nondisclosure includes, but is not limited to, members of the media and other members of the public, but does not include an attorney, accountant, family member or representative whom **DETTMER** chooses to consult or seek advice regarding his/her consideration of and decision to execute this Agreement and General Release. This Agreement and General Release shall not be admissible in any proceeding except to enforce the terms herein. In response to inquiries from individuals other than an attorney, accountant, family member or representative, **DETTMER** shall only respond, "I have satisfactorily resolved all of my differences with the Company." In the event of disclosure, except pursuant to lawful court order or subpoena, the Company has the right to institute an action against **DETTMER** for all available relief. This Paragraph 10 shall in all respects be subject to Paragraph 15 herein.

11. **DETTMER** represents that he/she has not and agrees that he/she will not in any way disparage or cast in a negative light the Company or any Released Party, their current and former officers, directors and employees, or make, solicit or cause to be made or solicited any comments, statements, or the like to the media or to others that may be considered to be derogatory or detrimental to the good name or business reputation of any of the aforementioned parties or entities, subject in all respects to Paragraph 15 herein.

12. **DETTMER** acknowledges that in connection with his/her employment, **DETTMER** has had access to information of a nature not generally disclosed to the public. **DETTMER** agrees to keep confidential and not use or disclose to anyone, unless legally compelled to do so, Confidential and Proprietary Information. "Confidential and Proprietary Information" includes but is not limited to all of the Company's or any Released Party's business and strategic plans, financial details, computer programs, manuals, contracts, current and prospective client and supplier lists, and all other documentation, business knowledge, data, material, property and supplier lists, and developments owned, possessed or controlled by the Company or any Released Party, regardless of whether possessed or developed by **DETTMER** in the course of his/her employment. Such Confidential and Proprietary Information may or may not be designated as confidential or proprietary and may be oral, written or electronic media. **DETTMER** understands that such information is owned and shall continue to be owned solely by the Released Parties. **DETTMER** agrees that he/she has not and will not use or disclose, directly or indirectly, in whole or in part, any Confidential and Proprietary Information. **DETTMER** acknowledges that he/she has complied and will continue to comply with this commitment, both as an employee and after the termination of his/her employment. **DETTMER** also acknowledges his/her continuing obligations under the Company's Business Principles and/or the Code of Conduct. This Paragraph 12 shall in all respects be subject to Paragraph 15 herein.

13. **DETTMER** acknowledges and confirms that he/she has returned all company property to the Company including, but not limited to, all Company Confidential and Proprietary Information in his/her possession, regardless of the format and no matter where maintained.

DETTMER also certifies that all electronic files residing or maintained on any personal computer devices (thumb drives, personal computers or otherwise) will be returned and no copies retained. **DETTMER** also has returned his/her identification card, work-related passwords and computer hardware and software, all paper or computer based files, business documents, and/or other Business Records or Office Documents as defined in the Company's Document Management Program, as well as all copies thereof, credit and procurement cards, keys and any other Company supplies or equipment in his/her possession. In addition, **DETTMER** confirms that any business related expenses for which he/she seeks or will seek reimbursement have been documented and submitted to the Company. Finally, any amounts owed to the Company have been paid. This Paragraph 13 shall in all respects be subject to Paragraph 15 herein.

14. Further, **DETTMER** agrees that for a period of one year following the Last Date of Employment he/she shall not (and shall not attempt to), directly or indirectly:

i. contact, call on, provide advice to, solicit, take away, or divert, and/or influence or attempt to influence any customers, clients, and/or patrons of the Company or any of its successors or assigns;

ii. solicit or induce any employee of the Company or any of its successors or assigns to leave the employ of the Company or any of its successors or assigns or take any action to assist any subsequent employer or any other entity in soliciting or inducing any other employee of the Company or any of its successors or assigns to leave the employ of the Company or any of its successors or assigns;

iii. hire, engage or employ, or assist in the hire, engagement or employment of, any individual employed by the Company or any of its successors or assigns;

iv. to the extent **DETTMER** accepted and/or received restricted stock grants pursuant to an Award Agreement executed in or after 2019 under Wyndham Destinations 2006 Equity and Incentive Plan, as amended and restated, and as stated therein, **DETTMER** will not, directly or indirectly, for or by **DETTMER**, or through, on behalf of, or in conjunction with any other person or entity: (1) own, maintain, finance, operate, invest, engage, or otherwise be involved in any business that is similar to or competes with the Company's timeshare business ("Competitor"); or (2) provide services to or work for any Competitor as an employee, consultant or agent.

DETTMER agrees and acknowledges that the period of time of the Restrictive Covenants imposed by this Agreement is fair, and reasonable and necessary under the circumstances and is reasonably required for the protection of the Company.

15. **DETTMER** also acknowledges that in the event he/she breaches any part of paragraphs 6, 7, 8, 9, 10, 11, 12, 13 or 14 herein, the damages to the Company would be irreparable. Therefore, in addition to monetary damages and/or reasonable attorney fees, the Company shall be entitled to injunctive and/or other equitable relief in any court of competent jurisdiction to enforce the respective covenants contained in this Agreement and General Release without posting a bond. Furthermore, **DETTMER** consents to the issuance of a temporary restraining order to maintain the status quo pending the outcome of any proceeding.

16. Nothing contained in this Agreement and General Release or in any other agreement between the parties or any other policies of the Company or its affiliates is intended to nor shall it limit or prohibit **DETTMER**, or waive any right on his/her part, to initiate or engage in communication with, respond to any inquiry from, otherwise provide information to, participate in, cooperate in, testify in, or obtain any monetary recovery from, 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.

17. **DETTMER** agrees to cooperate with and make himself/herself readily available to the Company, or any of its successors, assigns, Released Parties, or its or their General Counsel, as the Company may reasonably request, to assist in any matter, including giving truthful testimony in any litigation or potential litigation, over which **DETTMER** may have knowledge, information or expertise. The Company agrees to reimburse **DETTMER** for any reasonable out-of-pocket expenses incurred by **DETTMER** by reason of such cooperation, including any loss of salary due, to the extent permitted by law, and the Company will make reasonable efforts to minimize interruption of **DETTMER'S** life in connection with his cooperation in such matters as provided for in this paragraph. **DETTMER** acknowledges that his/her agreement to this provision is a material inducement to the Company to enter into this Agreement and General Release and to pay the consideration described in paragraph 2.

18. **DETTMER** acknowledges and agrees that in the event **DETTMER** has been reimbursed for business expenses, but has failed to pay his/her American Express bill related to such reimbursed expenses, the Company has the right and is hereby authorized to deduct the amount of any unpaid American Express Business Card bill from the severance payments or otherwise suspend severance payments in an amount equal to the unpaid business expenses without being in breach of this Agreement and General Release.

19. This Agreement and General Release is made in the State of **FLORIDA** and shall be interpreted under the laws of said State. Its language shall be construed as a whole, according to its fair meaning, and not strictly for or against either party. The Company and **DETTMER** agree that any action between **DETTMER** and the Company shall be resolved exclusively in a federal or state court in **FLORIDA**, and the Company and **DETTMER** hereby consent to such jurisdiction and waive any objection to the jurisdiction of any such court. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY. Should any provision of this Agreement and General Release be declared illegal or unenforceable by any court of competent jurisdiction, such provision shall be modified to be enforceable to the maximum extent permitted by law; provided, however, that if any provision cannot be modified to be enforceable, including the general release language, such provision shall immediately become null and void, leaving the remainder of this in full force and effect. Upon such determination that any term or other provision of this Agreement and General Release is invalid, illegal or unenforceable, this Agreement and General Release shall be enforceable as closely as possible to its original intent, which is to provide the Released Parties with a full release of all legally releasable Claims through the date upon which **DETTMER** executes this Agreement and General Release. However, if as a result of any action initiated by **DETTMER,** any portion of the general release language were ruled to be unenforceable for any reason, the Company may request that **DETTMER** promptly return the consideration paid hereunder to the Company.

20. **DETTMER** agrees that neither this Agreement and General Release nor the furnishing of the consideration for this Agreement and General Release shall be deemed or construed at any time for any purpose as an admission by the Company of any liability or unlawful conduct of any kind, all of which the Company denies.

21. This Agreement and General Release may not be modified, altered or changed except upon express written consent of both the Company and **DETTMER** wherein specific reference is made to this Agreement and General Release. **DETTMER** shall not assign any rights, or delegate or subcontract any obligations, under this Agreement and General Release. The Company may freely assign all rights and obligations of this Agreement and General Release to any affiliate or successor (including a purchaser of any assets of the Company).

22. This Agreement and General Release sets forth the entire agreement between the Company and **DETTMER**, and fully supersedes any prior agreements or understandings between them, with the exception of the 2006 Equity and Incentive Plan, as amended and restated, 2019 and 2020 Award Agreements or any salesperson non-compete, non-solicit or confidentiality agreement between **DETTMER** and the Company, which agreements shall survive the termination of **DETTMER'S** employment in accordance with its own terms. The Released Parties are intended third-party beneficiaries of this Agreement and General Release, and this Agreement and General Release may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Party hereunder.

23. This Agreement and General Release may be executed in separate counterparts, each of which will be deemed to be an original and all of which taken together will constitute one and the same agreement.

24. Any Severance payable under this Agreement and General Release shall not be paid until the first scheduled payment date following the Effective Date, with the first such payment being in an amount equal to the total amount to which **DETTMER** would otherwise have been entitled during the period following the Last Date of Employment if such deferral had not been required. However, any such amounts that constitute nonqualified deferred compensation within the meaning of Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively, "Section 409A") shall not be paid until the 60th day following such termination to the extent necessary to avoid adverse tax consequences under Section 409A, and if such payments are required to be so deferred, the first payment shall be in an amount equal to the total amount to which **DETTMER** would otherwise have been entitled during the period following the Last Date of Employment, if such deferral had not been required.

A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement and General Release providing for the payment of any amount or benefit upon or following a termination of employment, unless such termination is also a "separation from service" within the meaning of Section 409A, and for purposes of any such provision of this Agreement and General Release, references to a "termination," "termination of employment" or like terms shall mean "separation from service," and if **DETTMER** is deemed a "specified employee" within the meaning of Section 409A on the Last Date of Employment, then any Severance payable to **DETTMER** under this Agreement and General Release during the first six months and one day following the Last Date of Employment that constitutes nonqualified deferred compensation within the meaning of Section 409A shall not be paid until the date that is six months and one day following such termination to the extent necessary to avoid adverse tax consequences under Section 409A, and if such payments are required to be so deferred, the first payment shall be in an amount equal to the total amount to which **DETTMER** would

otherwise have been entitled during the period following the Last Date of Employment, if such deferral had not been required.

Although the Company does not guarantee the tax treatment of any payment hereunder, the intent of the parties is that payments under this Agreement and General Release comply with the meaning of Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder, and accordingly, to the maximum extent permitted, this Agreement and General Release shall be interpreted in a manner consistent therewith.

THE COMPANY AND **DETTMER** HAVE READ AND FULLY CONSIDERED THIS AGREEMENT AND GENERAL RELEASE AND ARE MUTUALLY DESIROUS OF ENTERING INTO SUCH AGREEMENT AND GENERAL RELEASE. **DETTMER** UNDERSTANDS THAT THIS DOCUMENT SETTLES, BARS AND WAIVES ANY AND ALL CLAIMS HE/SHE HAD OR MIGHT HAVE AGAINST THE COMPANY (EXCEPT AS SET FORTH ABOVE); AND HE/SHE ACKNOWLEDGES THAT HE/SHE IS NOT RELYING ON ANY OTHER REPRESENTATIONS, WRITTEN OR ORAL, NOT SET FORTH IN THIS DOCUMENT. HAVING ELECTED TO EXECUTE THIS AGREEMENT AND GENERAL RELEASE, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE SUMS AND BENEFITS SET FORTH IN PARAGRAPH 2 ABOVE, **DETTMER** FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT AND GENERAL RELEASE. **DETTMER** AGREES THAT ANY CHANGES, MATERIAL OR IMMATERIAL TO THIS AGREEMENT AND GENERAL RELEASE, DID NOT RESTART THE SIXTY (60) DAY REVIEW PERIOD.

THEREFORE, the parties to this Agreement and General Release now voluntarily and knowingly execute this Agreement.

_/s/Brad Dettmer_____
BRAD DETTMER (WWID 003467)

Signed and sworn before me
this 18th day of June, 2020

_____
Notary Public

WYNDHAM VACATION OWNERSHIP, INC.

By:_/s/ Kim Marshall_____
Name: Kim Marshall
Title: Chief Human Resources Officer

Exhibit 10.26

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the "**Agreement**") is made and entered into as of the 16th day of June, 2020, by and between **WYNDHAM DESTINATIONS, INC.,** a Delaware corporation (hereafter "**Wyndham**"), and **BRAD DETTMER** (hereafter "**Consultant**"). The parties wish to reduce their agreements to writing and hereby acknowledge and represent that they each have the authority to bind themselves legally to this document, and the parties agree as follows:

1. **Consulting Services:** Inasmuch as Wyndham wishes to engage Consultant as a consultant in connection with providing consulting service for Wyndham related to IT related projects supporting operational efficiencies in the business, including but not limited to Project Racer (contact center consolidation) and (2) other various matters assigned from time to time, including ongoing programs and projects of Wyndham and certain other matters related to Wyndham or any of its subsidiaries (hereafter the "**Services**"). Inasmuch as the Services may be more than de minimis, the parties agree that Consultant will serve as a consultant to Wyndham, providing the Services as Wyndham reasonably requests from Michael Brown or his designees as agreed by the parties and will provide such reports or information as may be requested in connection with such assignments to Michael Brown or his designees.

2. **Term:** The Services will commence on January 1, 2021 and end on December 31, 2021, unless sooner terminated by written agreement of the parties hereto (the "**Term**"). The parties may mutually agree to extend the Term of this Agreement on such terms as they agree to in writing.

3. **Compensation:** Compensation for the Services under this Agreement will be Sixty Thousand Dollars and zero cents ($60,000.00) per month (the "**Fee**"). Should this Agreement be terminated sooner than the Term described in Section 2 above, the Fee for the month in which the Agreement is terminated shall be pro-rated and no further Fee will be due thereafter. Consultant will provide to Wyndham a Form W-9 and Wyndham will provide to Consultant a Form 1099 for all Fee payments under this Agreement. In addition to payment of the Fee, Consultant will be entitled to reimbursement of any reasonable and necessary travel and other related out-of-pocket expenses incurred during the Term of this Agreement, provided such expenses are related to providing the Services and supported by appropriate receipts or other documentation. Consultant will invoice Wyndham for travel and other related out-of-pocket expenses within sixty (60) days of when such expenses were incurred. Wyndham shall pay invoices received from Consultant within thirty (30) days of its receipt of such invoice(s).

4. Representations, Covenants, and Warranties of Consultant.

   a. Consultant represents and covenants that she has obtained and/or will obtain all permits and licenses necessary to comply with all local, state/provincial and federal laws relating to the Services to be performed under this Agreement.

b. Consultant acknowledges that Wyndham strives to maintain positive community relations. To that end, Consultant will work to preserve and enhance Wyndham's reputation among the public.
c. Consultant will comply with all applicable laws, rules and regulations necessary for him to comply with the terms, covenants and conditions of this Agreement including all laws regulating the performance of the Services.
d. Consultant has the necessary authority to enter into and execute this Agreement.
e. There is no pending or threatened litigation against Consultant or any of his principals, owners or officers by any federal, state, provincial or local government regulatory agency or entity. Consultant shall promptly inform Wyndham of any such threatened or actual litigation.
f. By entering into this Agreement, Consultant is not in violation of any other agreement with any third party.
g. Consultant represents and warrants that in carrying out its responsibilities under this Agreement she shall comply with all anti-corruption laws and regulations to which she is subject, including, as applicable, the Unites States Foreign Corrupt Practices Act of 1977, as amended ("**FCPA**") and the UK Bribery Act of 2010 ("**Bribery Act**").

5. Representations, Covenants, and Warranties of Wyndham. Wyndham represents, warrants and covenants to Consultant that:

a. It is a corporation organized and validly existing under the laws of the state of Delaware.
b. It has obtained corporate authority to enter into this Agreement and the person executing this Agreement on behalf of Wyndham has the necessary authority to sign the Agreement.
c. It will comply with all applicable laws, rules and regulations related to its performance under this Agreement.
d. By entering this Agreement, it is not in violation of any other agreement with any third party.

6. **Supplier Code of Conduct:** The Wyndham Destinations Supplier Code of Conduct ("Code of Conduct"), as it may be amended and revised, is incorporated by reference into and made a substantive part of this Agreement. Consultant agrees to observe, perform and abide at all times by the terms and provisions of the Code of Conduct. Consultant's failure to observe, perform, or abide by any provision of the Code of Conduct is a substantive breach of this Agreement. Wyndham reserves the right, from time to time, to amend and revise the Code of Conduct in its sole discretion. A copy of the Code of Conduct has been delivered to the Consultant, and Consultant, by signing this Agreement confirms its receipt and agreement to observe the requirements of the Code of Conduct. A copy of the Code of Conduct is available at http://suppliers.wyndhamdestinations.com/privacyandcompliance. To establish compliance with this paragraph, Wyndham acknowledges and agrees that Consultant shall only be required to check the foregoing website twice annually.

7. **Confidentiality of Material:** In the course of this engagement, Consultant acknowledges that he will be given access to information regarding the systems, strategies, plans and operations of Wyndham not otherwise publicly available, including, but not limited to, the terms of this Agreement (the "Confidential Material"). Consultant agrees to treat all information and documentation received pursuant to this Agreement as proprietary and confidential. The Parties agree that any and all work produced during the course of providing the Services is owned by Wyndham, not Consultant. Consultant further agrees, during the term of this Agreement, and following its expiration or earlier termination:

a. Not to use for any purpose any portion of the Confidential Material except in connection with the performance of this engagement.
b. Not to use or disclose the Confidential Material for his own benefit or for the benefit of anyone else besides Wyndham.
c. Not to disclose to any person (which for purposes of this Agreement shall include any natural person, corporation, partnership, trust, association, joint venture, pool, syndicate, unincorporated organization, joint stock company, governmental entity or similar entity or organization) any portion of the Confidential Material, without the prior written consent of Wyndham, which may be withheld in its sole discretion.
d. To immediately return to Wyndham any and all copies or originals of Confidential Material upon the termination of this Agreement.

6. **Use of Wyndham's Materials:** In the performance of the Services, Consultant acknowledges that he shall not use any of Wyndham's materials without Wyndham's prior written consent. Consultant will use only Wyndham's name and/or trade name and trademark logo colors on approved materials distributed in conjunction with the Services.

7. **Information Security:** Consultant shall at all times comply with Wyndham's and its affiliates' policies and procedures regarding information protection, systems and data security, and privacy, and shall comply with all applicable privacy and data protection laws and regulations. In addition, Consultant shall comply with the Detailed Data Security Specifications document located at https://suppliers.wyndhamdestinations.com/privacyandcompliance, Consultant shall not tamper with, compromise, or attempt to circumvent any physical or electronic security or audit measures employed by Wyndham in the course of Wyndham's business operations, and/or compromise the security of Wyndham's computer systems and/or networks. Any hardware and/or software provided to Consultant by Wyndham as part of, or in relation to, the Services provided hereunder shall remain Wyndham's property and must be surrendered by Consultant upon Wyndham's request and/or when the Services terminate or expire.

8. **Independent Contractor:** Consultant agrees and acknowledges that it is not and will not claim to be an employee of Wyndham, nor is any employee of Consultant an employee of Wyndham. Rather, Consultant is an independent contractor and is not the legal representative or agent of, nor does he have the power to obligate, Wyndham for any purpose whatsoever. Consultant further acknowledges and agrees that the scope of the engagement hereunder does not

include any supervisory responsibilities with respect to Wyndham personnel. Consultant acknowledges that the relationship intended to be created by this Agreement is a business relationship based entirely on and circumscribed by the express provisions of this Agreement and that no partnership, joint venture, agency, fiduciary or employment relationship is intended or created by reason of this Agreement. All taxes, withholding, insurance contributions and the like on amounts paid under this Agreement are Consultant's responsibility and it will indemnify and hold Wyndham, its affiliates and agents harmless from any judgments, fines, costs, or fees associated with such payments. Wyndham will carry no worker's compensation insurance or any health or accident insurance to cover Consultant or its employees. Wyndham will not pay contributions to social security, unemployment insurance, federal or state withholding taxes, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. The consulting arrangement hereunder will not be considered hire and employment by Wyndham for any purpose. Consultant's engagement is non-exclusive, i.e. she is not precluded from providing services to other entities or person, subject to her obligation to maintain confidentiality as set forth in section 6 of this Agreement.

9. **Indemnification:** For purposes of this Agreement, "Losses" shall mean all losses, liabilities, damages and cost (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and cost of investigation, litigation and settlement).

Consultant agrees to indemnify, defend and hold Wyndham, including its Affiliates and their respective officers, directors, employees, agents, successors and permitted assigns thereof (each of the foregoing being hereinafter referred to individually as the "Indemnified Party"), harmless from and against any and all Losses arising out of or in connection with the injury of or damage to any person or real or tangible personal property to the extent such injury or damage is proximately caused by Consultant's negligence or misconduct in connection with her performance under this Agreement. Consultant may, at her option, conduct the defense in any such third party action arising as described herein and Wyndham promises fully to cooperate with such defense.

This indemnification shall survive the expiration or termination of this Agreement by either party for any reason.

10. **No Conflicts:** Consultant represents and warrants to Wyndham that her execution and delivery of this Agreement and her performance in accordance with the terms of this Agreement will not conflict with, be a breach of or constitute a default under any covenant, undertaking, obligation or agreement to which Consultant is a party or by which Consultant is bound.

11. **Assignment:** Wyndham may assign all of its rights and delegate all of its obligations provided in this Agreement to any subsidiary or any corporation to which it conveys a substantial portion of its assets. Consultant may not assign any portion of her obligations under this Agreement.

12. **Breach of Agreement:** Consultant agrees that money damages would not be a sufficient remedy for any breach of this Agreement by Consultant or her agents, representatives or

employees and that in addition to all other remedies, Wyndham shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any such breach. No breach of any provision hereof can be waived unless in writing. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision hereof. Nor may the waiver by Wyndham of any breach by any other independent contractor constitute a waiver of the same or similar breach by Consultant.

13. **Governing Law and Venue:** The Agreement between the Parties shall be enforced in accordance with the laws of the State of Florida. The Parties hereby irrevocably submit to the exclusive jurisdiction of the state and federal courts located in Orange County, Florida for any action or proceeding arising out of or relating to this Agreement and the Parties irrevocably agree that all claims in respect to such action or proceeding may be heard or determined by the state or federal courts located in Orange County, Florida. Additionally, the Parties irrevocably waive any objection they may now or hereafter have as to the venue or inconvenient forum in any such suit, action or proceeding arising under this Agreement.

14. **Notices:** Any notice, request, demand, instruction or other document to be given or served hereunder or under any document or instrument executed pursuant hereto will be in writing and delivered personally or by email and addressed to the parties at their respective addresses set forth below, and the same will be effective (i) upon receipt or refusal if delivered personally, or (ii) upon sending of email provided there is no return of email as undeliverable. A party may change its email address for receipt of notices by service of a notice of such change in accordance herewith. Notices will be addressed as follows:

If to Wyndham:

Wyndham Destinations, Inc.
Attn: Michael Brown
President and Chief Executive Officer
6277 Sea Harbor Drive
Orlando, FL 32821

Email: Michael.Brown@wyn.com

If to Consultant:

Brad Dettmer
[home address]

With a Copy to:

Wyndham Vacation Ownership, Inc.
Attn: Legal Services/General Counsel
6277 Sea Harbor Drive
Orlando, FL 32821

or to such other address as either party may direct by notice given to the other as hereinabove provided.

15. **Termination of Agreement:** Wyndham or Consultant may terminate this Agreement at any time and for any reason upon thirty (30) days' prior written notice to the other Party, provided that Wyndham shall be obligated to pay to Consultant all fees and expenses relating to those Services satisfactorily performed by Consultant prior to such termination. Notwithstanding the foregoing, Wyndham shall have no further liability or obligation whatsoever to Consultant if Wyndham terminates this Agreement due to Consultant's breach.

16. **Entire Agreement:** This Agreement represents the entire and integrated agreement between Wyndham and Consultant as to this subject matter and supersedes all prior negotiations, representations or agreements, either written or oral, regarding the subject matter hereof. This Agreement may be executed in one or more counterparts each of which shall constitute an original of this Agreement and all of such counterparts shall constitute one instrument. In the event any paragraph or provision of this Agreement is adjudged void, invalid or unenforceable by the court, law or equity, the remaining portions of this Agreement shall nonetheless continue and remain in full force and effect. The Agreement may be amended only by written instrument signed by both Wyndham and Consultant.

This Agreement entered into as of the day and year first written above:

WYNDHAM DESTINATIONS, INC. **BRAD DETTMER**

BY: Michael Brown
President and Chief Executive Officer

/s/ Michael Brown_____ _/s/ Brad Dettmer_____
SIGNATURE SIGNATURE

__June 26, 2020_____ __June 16, 2020_____
DATE DATE

WYNDHAM WORLDWIDE CORPORATION
2006 EQUITY AND INCENTIVE PLAN
(AMENDED AND RESTATED AS OF NOVEMBER 3, 2020)*

1. Purpose; Types of Awards; Construction.

The purposes of the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (as amended and restated, the "Plan") are to afford an incentive to non-employee directors, selected officers and other employees, advisors and consultants of Wyndham Worldwide Corporation (the "Company") and its Affiliates that now exist or hereafter are organized or acquired, to continue as non-employee directors, officers, employees, advisors or consultants, as the case may be, to increase their efforts on behalf of the Company and its Affiliates and to promote the success of the Company's business. The Plan provides for the grant of Options (including "incentive stock options" and "nonqualified stock options"), stock appreciation rights, restricted stock, restricted stock units and other stock- or cash-based awards.

2. Definitions.

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "Affiliate" shall mean, other than the Company, (i) any Subsidiary; (ii) any Parent; (iii) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is directly or indirectly controlled 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company; (iv) any corporation, trade or business (including, without limitation, a partnership or limited liability company) that directly or indirectly controls 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) of the Company; or (v) any other entity, approved by the Committee as an Affiliate under the Plan, in which the Company or any of its Affiliates has a material equity interest and which is designated as an "Affiliate" by resolution of the Committee.

(b) "Annual Incentive Program" means the program described in Section 6(c) hereof.

(c) "Award" means any Option, SAR, Restricted Stock, Restricted Stock Unit or Other Stock-Based Award or Other Cash-Based Award granted under the Plan.

(d) "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means, following the Effective Date, a change in control of the Company, which will have occurred if:

(i) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (C) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Stock), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding voting securities (excluding any person who becomes such a beneficial owner in connection with a transaction immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity surviving such transaction or, if the Company or the entity surviving the transaction is then a subsidiary, the ultimate parent thereof);

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new

* The Wyndham Worldwide Corporation 2006 Equity and Incentive Plan was originally adopted in 2006. The Plan was amended and restated in its entirety and approved by shareholders on May 17, 2018, and the Plan, as amended and restated, supersedes all prior amendments, restatements and amendment and restatements adopted by the Company's shareholders (provided that, for the avoidance of doubt, such amendment and restatement shall not affect the ability of any Awards granted prior to the date of such amendment and restatement to qualify as "performance-based compensation" under Section 162(m) of the Code). The Plan was further amended and restated by the Board on November 3, 2020.

director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended;

(iii) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof; or

(iv) the stockholders of the Company consummate a plan of complete liquidation of the Company or there is consummated an agreement for the sale or disposition by the Company of at least 40% of the Company's assets (or any transaction having a similar effect), other than a sale or disposition by the Company of 40% or more of the Company's assets to an entity, immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed of or, if such entity is a subsidiary, the ultimate parent thereof.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred by virtue of (x) a Public Offering or (y) the consummation of any transaction or series of integrated transactions immediately following which individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions. Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that constitutes "nonqualified deferred compensation" within the meaning of Code Section 409A, an event shall not be considered to be a Change in Control under the Plan for purposes of triggering payment of such Award unless such event is also a "change in ownership," a "change in effective control" or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Code Section 409A.

For the avoidance of doubt, the spin-off of Wyndham Hotels & Resorts, Inc. will not constitute a Change in Control hereunder.

(g) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder.

(h) "Code Section 409A" means Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

(i) "Committee" means the committee established by the Board to administer the Plan, the composition of which shall at all times satisfy the provisions of Rule 16b-3 and applicable stock exchange rules. If for any reason the appointed Committee does not meet the requirements of Rule 16b-3, such noncompliance with the requirements of Rule 16b-3 shall not affect the validity of the Awards, grants, interpretations or other actions of the Committee.

(j) "Company" means Wyndham Worldwide Corporation, a corporation organized under the laws of the State of Delaware, or any successor corporation.

(k) "Effective Date" means the date of stockholder approval of the amended and restated Plan at the Company's 2018 annual meeting of stockholders (i.e., May 17, 2018), subject to Sections 8(d)(i) and 8(e).

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.

(m) "Fair Market Value" of a share of Stock shall be determined for purposes of the Plan, including, without limitation, with respect to the granting of any Award by using the closing price of Stock as of the date such Award is granted, unless otherwise determined by the Committee or required by applicable law. Notwithstanding the foregoing, if at the time of grant or other applicable event, the Stock is not then listed on a national securities exchange, "Fair Market Value" shall mean, (i) if the shares of Stock are then traded in an over-the-counter market, the average of the bid and ask price for shares of Stock in such over-the-counter market (determined at the same time as contemplated in clauses (A) and (B) above with respect to the applicable action), and (ii) if the shares of Stock are not then listed on a national securities exchange or traded in an over-the-counter market, or the value of such shares is not otherwise determinable, such value as determined by the Committee in its sole discretion.

(n) "Grantee" means a person who, as a non-employee director, officer or other employee, advisor or consultant of the Company or its Affiliate, has been granted an Award under the Plan.

(o) "ISO" means any Option intended to be and designated as an incentive stock option within the meaning of Section 422 of the Code.

(p) "Long Term Incentive Program" means the program described in Section 6(b) hereof.

(q) "Non-Employee Director" means any director of the Company who is not also employed by the Company or any of its Affiliates.

(r) "NQSO" means any Option that is not designated as an ISO.

(s) "Option" means a right, granted to a Grantee under Section 6(b)(i) or 6(b)(v), to purchase shares of Stock. An Option may be either an ISO or an NQSO, provided that ISOs may be granted only to employees of the Company or a Parent or Subsidiary of the Company.

(t) "Other Cash-Based Award" means cash awarded under the Annual Incentive Program or the Long Term Incentive Program, including cash awarded as a bonus or upon the attainment of Performance Goals or otherwise as permitted under the Plan.

(u) "Other Stock-Based Award" means a right or other interest granted to a Grantee under the Annual Incentive Program or the Long Term Incentive Program that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, including but not limited to (i) unrestricted Stock awarded as a bonus or upon the attainment of Performance Goals or otherwise as permitted under the Plan, and (ii) a right granted to a Grantee to acquire Stock from the Company containing terms and conditions prescribed by the Committee.

(v) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(w) "Performance Goals" means performance goals determined by the Committee, which may be based on one or more of the following criteria: (i) pre-tax income or after-tax income; (ii) pre-tax or after-tax profits; (iii) income or earnings including operating income, earnings before or after taxes, earnings before interest, taxes, depreciation and amortization, earnings before or after interest, depreciation, amortization, or items that are unusual in nature or infrequently occurring or special items, or a combination of any or all of the foregoing; (iv) net income excluding amortization of intangible assets, depreciation and impairment of goodwill and intangible assets and/or excluding charges attributable to the adoption of new accounting pronouncements; (v) earnings or book value per share (basic or diluted); (vi) return on assets (gross or net), return on investment, return on capital, return on invested capital or return on equity; (vii) return on revenues; (viii) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (ix) economic value created; (x) operating margin or profit margin (gross or net); (xi) stock price or total stockholder return; (xii) income or earnings from continuing operations; (xiii) after-tax or pre-tax return on

stockholders' equity; (xiv) growth in the value of an investment in the Company's common stock assuming the reinvestment of dividends; (xv) operating profits or net operating profits; (xvi) working capital; (xvii) gross or net sales, revenue and growth of sales revenue (either before or after cost of goods, selling and general administrative expenses, and any other expenses or interest); (xviii) cost targets, reductions and savings (including, without limitation, the achievement of a certain level of, reduction of, or other specified objectives with regard to limiting the level of increase in, all or a portion of, the Company's bank debt or other long-term or short-term public or private debt or other similar financial obligations of the Company, which may be calculated net of such cash balances and/or other offsets and adjustments as may be established by the Committee), expense management, productivity and efficiencies; (xix) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration or market share, geographic business expansion, customer satisfaction, employee satisfaction, human resources management, supervision of litigation, information technology, and goals relating to divestitures, joint ventures and similar transactions; (xx) franchise and/or royalty income; (xxi) market share; (xxii) strategic objectives, development of new product lines and related revenue, sales and margin targets; (xxiii) franchisee growth and retention; (xxiv) co-branding or international operations; (xxv) comparisons of continuing operations to other operations; (xxvi) management fee or licensing fee growth; (xxvii) other financial or business measures as may be determined by the Committee; and (xxviii) any combination of the foregoing. Where applicable, the Performance Goals may be expressed in terms of attaining a specified level of the particular criterion or the attainment of a percentage increase or decrease in the particular criterion, and may be applied to one or more of the Company or its Affiliates, or a division or strategic business unit of the Company, all as determined by the Committee. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be paid (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur). Each of the foregoing Performance Goals may be evaluated in accordance with generally accepted accounting principles (GAAP) or other financial measures (including non-GAAP measures) as determined by the Committee. The Committee shall have the authority to make equitable adjustments to the Performance Goals in recognition of unusual, non-recurring, non-core or other events affecting the Company or its Affiliates or the financial statements of the Company or its Affiliates, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be unusual in nature or infrequent in occurrence or related to a corporate transaction (including, without limitation, a disposition or acquisition) or related to a change in accounting principles, or otherwise, all as determined by the Committee in its discretion.

(x) "Performance Period" shall mean the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Grantee's right to and the payment of an Award.

(y) "Plan" means this Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (as amended and restated as of May 12, 2009, as further amended on May 13, 2010, as further restated on February 27, 2014, as further amended on August 2, 2017, as further amended and restated as of March 1, 2018 and as further amended and restated as of November 3, 2020), as amended from time to time.

(z) "Plan Year" means a calendar year.

(aa) "Public Offering" means an offering of securities of the Company that is registered with the Securities and Exchange Commission.

(bb) "Restricted Stock" means an Award of shares of Stock to a Grantee under Section 6(b)(iii) that may be subject to certain restrictions and to a risk of forfeiture.

(cc) "Restricted Stock Unit" or "RSU" means a right granted to a Grantee under Section 6(b)(iv) or Section 6(b)(v) to receive Stock or cash at the end of a specified period, which right may be conditioned on the satisfaction of specified performance or other criteria.

(dd) "Rule 16b-3" means Rule 16b-3, as from time to time in effect promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act, including any successor to such Rule.

(ee) "Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder.

(ff) "Stock" means shares of the common stock, par value $0.01 per share, of the Company.

(gg) "Stock Appreciation Right" or "SAR" means the right, granted to a Grantee under Section 6(b)(ii), to be paid an amount measured by the appreciation in the Fair Market Value of Stock from the date of grant to the date of exercise of the right.

(hh) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(ii) "Ten Percent Stockholder" shall mean a person owning stock of the Company possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, its Parent or any Subsidiary.

3. Administration.

The Plan shall be administered by the Board or by such Committee that the Board may appoint for this purpose. If a Committee is appointed to administer the Plan, all references herein to the "Committee" shall be references to such Committee. If no Committee is appointed by the Board to administer the Plan, all references herein to the "Committee" shall be references to the Board. The Committee shall have the authority in its discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to grant Awards; to determine the persons to whom and the time or times at which Awards shall be granted; to determine the type and number of Awards to be granted, the number of shares of Stock to which an Award may relate and the terms, conditions, restrictions and performance criteria relating to any Award; and to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, or surrendered; to make adjustments in the terms and conditions of, and the Performance Goals (if any) included in, Awards; to construe and interpret the Plan and any Award; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of the Award Agreements (which need not be identical for each Grantee); and to make all other determinations deemed necessary or advisable for the administration of the Plan. The Committee may adopt special guidelines and provisions for persons who are residing in, or subject to, the taxes of, countries other than the United States to comply with applicable tax and securities laws and may impose any limitations and restrictions that they deem necessary to comply with the applicable tax and securities laws of such countries other than the United States. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options or SARs, and provided further, outstanding Options or SARs may not be replaced or cancelled in exchange for cash, other Awards or Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs without stockholder approval. To the extent applicable, the Plan is intended to comply with the applicable requirements of Rule 16b-3 and shall be limited, construed and interpreted in a manner so as to comply therewith.

The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan. All decisions, determinations and interpretations of the Committee shall be final and binding on all persons, including but not limited to the Company and its

Affiliates or any Grantee (or any person claiming any rights under the Plan from or through any Grantee) and any stockholder.

No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award granted hereunder.

4. Eligibility.

Awards may be granted to selected non-employee directors, officers and other employees, advisors or consultants of the Company or its Affiliates, in the discretion of the Committee. In determining the persons to whom Awards shall be granted and the type of any Award (including the number of shares to be covered by such Award), the Committee shall take into account such factors as the Committee shall deem relevant in connection with accomplishing the purposes of the Plan.

5. Stock Subject to the Plan.

The maximum number of shares of Stock reserved for issuance under the Plan shall be 36,700,000, and pursuant to the Company's Non-Employee Directors Deferred Compensation Plan, Savings Restoration Plan, and Officer Deferred Compensation Plan, subject to adjustment as provided herein. No more than 1,000,000 shares of Stock may be issued pursuant to the exercise of ISOs, subject to adjustment as provided herein. Such shares may, in whole or in part, be authorized but unissued shares or shares that shall have been or may be reacquired by the Company in the open market, in private transactions or otherwise. If any shares subject to an Award are forfeited, cancelled, exchanged or surrendered or if an Award terminates or expires without a distribution of shares to the Grantee, or if shares of Stock are surrendered or withheld as payment of either the exercise price of an Award and/or withholding taxes in respect of an Award, the shares of Stock with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, surrender, withholding, termination or expiration, again be available for Awards under the Plan. Upon the exercise of any Award granted in tandem with any other Award, such related Award shall be cancelled to the extent of the number of shares of Stock as to which the Award is exercised and, notwithstanding the foregoing, such number of shares shall no longer be available for Awards under the Plan.

The aggregate grant date fair value (computed as of the grant date in accordance with applicable financial accounting rules) of all Awards granted under the Plan to any individual Non-Employee Director in any fiscal year of the Company (excluding Awards made pursuant to deferred compensation arrangements made in lieu of all or a portion of cash retainers and any dividends payable in respect of outstanding Awards) shall not exceed $1,000,000.

In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Stock, or other property), recapitalization, Stock split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Grantees under the Plan, then the Committee shall make such equitable changes or adjustments as it deems necessary or appropriate to any or all of (i) the number and kind of shares of Stock or other property (including cash) that may thereafter be issued in connection with Awards, (ii) the number and kind of shares of Stock or other property (including cash) issued or issuable in respect of outstanding Awards, (iii) the exercise price, grant price, or purchase price relating to any Award; provided, that, with respect to ISOs, such adjustment shall be made in accordance with Section 424(h) of the Code, and with respect to NQSOs, such adjustment shall be made in a manner intended to comply with Code Section 409A, (iv) the award limitation set forth in this Section 5; and (v) the Performance Goals applicable to outstanding Awards.

6. Specific Terms of Awards.

(a) General. The term of each Award shall be for such period as may be determined by the Committee, provided that all Awards granted under the Plan shall have a minimum vesting period of twelve (12) months. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company or its Affiliates upon the grant, vesting, maturation, or exercise of an Award may be made in such forms as the Committee shall determine at the date of grant or thereafter, including, without limitation, cash, Stock, or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis in a manner intended to comply with Code Section 409A. The Committee may make rules relating to installment or deferred payments with respect to Awards, including the rate of interest to be credited with respect to such payments. In addition to the foregoing, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter, such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine.

(b) Long Term Incentive Program. Under the Long Term Incentive Program, the Committee is authorized to grant the Awards described in this Section 6(b), under such terms and conditions as deemed by the Committee to be consistent with the purposes of the Plan. Such Awards may be granted with value and payment contingent upon Performance Goals. Except as otherwise set forth herein or as may be determined by the Committee, each Award granted under the Long Term Incentive Program shall be evidenced by an Award Agreement containing such terms and conditions applicable to such Award as the Committee shall determine at the date of grant or thereafter.

(i) Options. The Committee is authorized to grant Options to Grantees on the following terms and conditions:

(A) Type of Award. The Award Agreement evidencing the grant of an Option under the Plan shall designate the Option as an ISO or an NQSO. To the extent that any Option does not qualify as an ISO (whether because of its provisions or the time or manner of its exercise or otherwise), such Option or the portion thereof which does not qualify, shall constitute a separate NQSO. Notwithstanding any other provision of this Plan to the contrary or any provision in an Award Agreement to the contrary, any Option granted to an employee of an Affiliate (other than one described in Section 2(a)(i) or (ii)) shall be an NQSO.

(B) Exercise Price. The exercise price per share of Stock purchasable under an Option shall be determined by the Committee, but, subject to Section 6(b)(v), in no event shall the per share exercise price of any Option be less than the Fair Market Value of a share of Stock on the date of grant of such Option; provided, however, if an ISO is granted to a Ten Percent Stockholder, the per share exercise price shall not be less than 110% of the Fair Market Value of the share of Stock on the date of grant of such ISO. The exercise price for Stock subject to an Option may be paid in cash or by an exchange of Stock previously owned by the Grantee for at least six months (if acquired from the Company), through a "broker cashless exercise" procedure approved by the Committee (to the extent permitted by law), or a combination of the above, in any case in an amount having a combined value equal to such exercise price. An Award Agreement may provide that a Grantee may pay all or a portion of the aggregate exercise price by having shares of Stock with a Fair Market Value on the date of exercise equal to the aggregate exercise price withheld by the Company.

(C) Term and Exercisability of Options. The date on which the Committee adopts a resolution expressly granting an Option, or such future date designated in the adopted resolution expressly authorizing the grant of an Option, shall be considered the day on which such Option is granted. The term of each Option shall be fixed by the Committee, but no Option shall be exercisable more than ten years after the date the Option is granted; provided, however, that the term of an ISO granted to a Ten Percent Stockholder may not exceed five years. Options shall be exercisable over the term at such times and upon such conditions as the Committee may determine, as reflected in the Award Agreement; provided, that the Committee shall have the authority to accelerate the exercisability of any

outstanding Option at such time and under such circumstances as it, in its sole discretion, deems appropriate. An Option may be exercised to the extent of any or all full shares of Stock as to which the Option has become exercisable, by giving written notice of such exercise to the Committee or its designated agent.

(D) Termination of Employment/Service. An Option may not be exercised unless the Grantee is then a director of, in the employ of, or providing services to, the Company or its Affiliates, and unless the Grantee has remained continuously so employed, or continuously maintained such relationship, since the date of grant of the Option; provided, that the Award Agreement may contain provisions extending, or the Committee may otherwise determine to extend, the exercisability of Options, in the event of specified terminations of employment or service, to a date not later than the expiration date of such Option. A Grantee's employment with, or provision of services to, Wyndham Hotels & Resorts, Inc. or its Affiliates (collectively, the "Wyndham Hotels Group") shall be deemed employment with, or provision of services to, the Company or its Affiliates for purposes of this Section 6(b)(i).

(E) Incentive Stock Option Limitations. To the extent that the aggregate Fair Market Value (determined as of the time of grant) of the Stock with respect to which ISOs are exercisable for the first time by a Grantee during any calendar year under the Plan and/or any other stock option plan of the Company, its Parent or any Subsidiary exceeds $100,000, such Options shall be treated as Options which are not ISOs. In addition, if a Grantee does not remain employed by the Company, its Parent or any Subsidiary at all times from the time the Option is granted until three months prior to the date of exercise (or such other period as required by applicable law), such Option shall be treated as an Option which is not an ISO. Should the foregoing provisions not be necessary in order for Options to qualify as an ISO, or should any additional provisions be required, the Committee may amend the Plan accordingly, without the necessity of obtaining the approval of the stockholders of the Company.

(F) Other Provisions. Options may be subject to such other conditions including, but not limited to, restrictions on transferability of the shares acquired upon exercise of such Options, as the Committee may prescribe in its discretion or as may be required by applicable law. In no event shall the Committee award or pay dividend or dividend equivalents with respect to Options, whether vested or unvested.

(ii) SARs. The Committee is authorized to grant SARs to Grantees on the following terms and conditions:

(A) In General. Unless the Committee determines otherwise, a SAR (1) granted in tandem with an NQSO may be granted at the time of grant of the related NQSO or at any time thereafter or (2) granted in tandem with an ISO may only be granted at the time of grant of the related ISO. A SAR granted in tandem with an Option shall be exercisable only to the extent the underlying Option is exercisable. Payment of a SAR may be made in cash, Stock, or property as specified in the Award or determined by the Committee. The grant price per share of Stock subject to a SAR shall be determined by the Committee at the time of grant, provided that the per share grant price of a SAR, whether or not granted in tandem with an Option, shall not be less than 100% of the Fair Market Value of the Stock at the time of grant.

(B) Right Conferred. A SAR shall confer on the Grantee a right to receive an amount with respect to each share subject thereto, upon exercise thereof, equal to the excess of (1) the Fair Market Value of one share of Stock on the date of exercise over (2) the grant price of the SAR (which in the case of an SAR granted in tandem with an Option shall be equal to the exercise price of the underlying Option, and which in the case of any other SAR shall be such price as the Committee may determine).

(C) Term and Exercisability of SARs. The date on which the Committee adopts a resolution expressly granting a SAR, or such future date designated in the adopted resolution expressly authorizing the grant of a SAR, shall be considered the day on which such SAR is granted. SARs shall be

exercisable over the exercise period (which shall not exceed the lesser of ten years from the date of grant or, in the case of a tandem SAR, the expiration of its related Award), at such times and upon such conditions as the Committee may determine, as reflected in the Award Agreement; provided, that the Committee shall have the authority to accelerate the exercisability of any outstanding SAR at such time and under such circumstances as it, in its sole discretion, deems appropriate. A SAR may be exercised to the extent of any or all full shares of Stock as to which the SAR (or, in the case of a tandem SAR, its related Award) has become exercisable, by giving written notice of such exercise to the Committee or its designated agent.

(D) Termination of Employment/Service. A SAR may not be exercised unless the Grantee is then a director of, in the employ of, or providing services to, the Company or its Affiliates, and unless the Grantee has remained continuously so employed, or continuously maintained such relationship, since the date of grant of the SAR; provided, that the Award Agreement may contain provisions extending, or the Committee may otherwise determine to extend, the exercisability of the SAR, in the event of specified terminations of employment or service, to a date not later than the expiration date of such SAR (or, in the case of a tandem SAR, its related Award). A Grantee's employment with, or provision of services to, the Wyndham Hotels Group shall be deemed employment with, or provision of services to, the Company or its Affiliates for purposes of this Section 6(b)(ii).

(E) Other Provisions. SARs may be subject to such other conditions including, but not limited to, restrictions on transferability of the shares acquired upon exercise of such SARs, as the Committee may prescribe in its discretion or as may be required by applicable law. In no event shall the Committee award or pay dividends or dividend equivalents with respect to SARs, whether vested or unvested.

(iii) Restricted Stock. The Committee is authorized to grant Restricted Stock to Grantees on the following terms and conditions:

(A) Issuance and Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions, if any, as the Committee may impose at the date of grant or thereafter, which restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise, as the Committee may determine. The Committee may place restrictions on Restricted Stock that shall lapse, in whole or in part, only upon the attainment of Performance Goals. The Committee may also condition the grant of an Award of Restricted Stock on the achievement of Performance Goals. Except to the extent restricted under the Award Agreement relating to the Restricted Stock, a Grantee granted Restricted Stock shall have all of the rights of a stockholder including, without limitation, the right to vote Restricted Stock and the right to receive dividends thereon; provided that such dividends may not be paid before the underlying Restricted Stock vests.

(B) Forfeiture. Upon termination of employment with or service to, or termination of the director or independent contractor relationship with, the Company or its Affiliates during the applicable restriction period, Restricted Stock and any accrued but unpaid dividends that are then subject to restrictions shall be forfeited. Notwithstanding any other provision of this Plan to the contrary, the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of Restricted Stock.

(C) Certificates for Stock. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine, including, without limitation, requiring the shares of Restricted Stock be held in uncertificated book entry form. If certificates representing Restricted Stock are registered in the name of the Grantee, such certificates shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company shall retain physical possession of the certificate.

(D) Dividends. Stock distributed in connection with a stock split or stock dividend, and cash or other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed, and shall be settled as the same time as the Restricted Stock to which it relates.

(iv) Restricted Stock Units. The Committee is authorized to grant Restricted Stock Units to Grantees, subject to the following terms and conditions:

(A) Award and Restrictions. Delivery of Stock or cash, as determined by the Committee, will occur upon expiration of the deferral period specified for Restricted Stock Units by the Committee. The Committee may place restrictions on Restricted Stock Units that shall lapse, in whole or in part, only upon the attainment of Performance Goals. The Committee also may condition the grant of an Award of Restricted Stock Units on the achievement of Performance Goals. The Committee may award dividend equivalents relating to Restricted Stock Units on terms and conditions as it determines; provided that such dividend equivalents may not be paid before the underlying Restricted Stock Units vests.

(B) Forfeiture. Upon termination of employment with or service to, or termination of director or independent contractor relationship with, the Company or its Affiliates during the applicable deferral period or portion thereof to which forfeiture conditions apply, or upon failure to satisfy any other conditions precedent to the delivery of Stock or cash to which such Restricted Stock Units relate, all Restricted Stock Units and any accrued but unpaid dividend equivalents that are then subject to deferral or restriction shall be forfeited. Notwithstanding any other provision of this Plan to the contrary, the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock Units will be waived in whole or in part in the event of termination resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of Restricted Stock Units.

(C) Director Deferred Compensation Awards. The Company shall issue RSUs pursuant to this Section 6(b)(iv)(C) for the purpose of fulfilling the Company's obligations under its Non-Employee Directors Deferred Compensation Plan (the "Deferred Compensation Plan"); provided, that certain terms and conditions of the grant and payment of such RSUs set forth in the Deferred Compensation Plan (and only to the extent set forth in such plan) shall supersede the terms generally applicable to RSUs granted under the Plan. RSUs granted under this paragraph need not be evidenced by an Award Agreement unless the Committee determines that such an Award Agreement is desirable for the furtherance of the purposes of the Plan and the Deferred Compensation Plan.

(D) Non-Employee Director Compensatory Awards. The Company shall issue RSUs payable only in Stock (unless the Committee determines otherwise) pursuant to the Company's non-employer director compensation program, and shall issue Stock in settlement of such RSUs in accordance with such program and the terms of this Plan.

(v) Other Stock- or Cash-Based Awards The Committee is authorized to grant Awards to Grantees in the form of Other Stock-Based Awards or Other Cash-Based Awards, as deemed by the Committee to be consistent with the purposes of the Plan. The Committee may condition an Other Stock- or Cash-Based Award or the lapse of restrictions with respect to an Other Stock- or Cash-Based Award on the achievement of Performance Goals. The Committee shall determine the terms and conditions of such Awards at the date of grant or thereafter. Performance Periods under this Section 6(b)(v) may overlap. Payments earned hereunder may be decreased or increased in the sole discretion of the Committee based on such factors as it deems appropriate. The Committee shall have the authority to accelerate vesting of Awards at such time and under such circumstances as it, in its sole discretion, deems appropriate. The Committee may establish such other rules applicable to the Other Stock- or Cash-Based Awards as it deems appropriate.

(c) Annual Incentive Program. In addition to Awards granted under Section 6(b), the Committee is authorized to grant Other Stock- or Cash-Based Awards to Grantees pursuant to the Annual Incentive Program, under such terms and conditions as deemed by the Committee to be consistent with the purposes of the Plan. The Committee may condition an Award under the Annual Incentive Program or the lapse of restrictions with respect to an Award under the Annual Incentive Program on the achievement of Performance Goals. Grantees will be selected by the Committee with respect to participation for a Plan Year. Payments earned hereunder may be decreased or increased in the sole discretion of the Committee based on such factors as it deems appropriate. The Committee may establish such other rules applicable to the Annual Incentive Program as it deems appropriate.

7. Change in Control Provisions. Unless otherwise determined by the Committee at the time of grant and evidenced in an Award Agreement and notwithstanding any other provision of this Plan to the contrary, in the event of a Change of Control:

(a) any Award carrying a right to exercise that was not previously vested and exercisable shall become fully vested and exercisable; and

(b) the restrictions, deferral limitations, payment conditions, and forfeiture conditions applicable to any other Award granted under the Plan shall lapse and such Awards shall be deemed fully vested, and any performance conditions imposed with respect to Awards shall be deemed to be fully achieved.

8. General Provisions.

(a) Nontransferability. Unless otherwise provided in an Award Agreement, Awards shall not be transferable by a Grantee except by will or the laws of descent and distribution and shall be exercisable during the lifetime of a Grantee only by such Grantee or his guardian or legal representative.

(b) No Right to Continued Employment, etc. Nothing in the Plan or in any Award, any Award Agreement or other agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ of, or to continue as a director of, or to continue to provide services to, the Company or its Affiliates or to be entitled to any remuneration or benefits not set forth in the Plan or such Award Agreement or other agreement or to interfere with or limit in any way the right of the Company or any Affiliate to terminate such Grantee's employment, or director or independent contractor relationship.

(c) Taxes. The Company and its Affiliates are authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Stock, or any other payment to a Grantee, amounts of withholding and other taxes due in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Grantees to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Grantee's tax obligations. The Committee may provide in the Award Agreement that in the event that a Grantee is required to pay any amount to be withheld in connection with the issuance of shares of Stock in settlement or exercise of an Award, the Grantee may satisfy such obligation (in whole or in part) by electing to have the Company withhold a portion of the shares of Stock that would otherwise be received upon settlement or exercise of such Award; provided such amount withheld does not cause the award to be treated as a liability instrument under generally accepted accounting principles.

(d) Stockholder Approval; Amendment and Termination.

(i) The Plan shall take effect upon, and be subject to, the requisite approval of the stockholders of the Company.

(ii) The Board may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part; provided, however, an amendment that requires stockholder approval in order for

the Plan to continue to comply with any law, regulation or stock exchange requirement shall not be effective unless approved by the requisite vote of stockholders. Notwithstanding the foregoing, no amendment to or termination of the Plan shall affect adversely any of the rights of any Grantee, without such Grantee's consent, under any Award theretofore granted under the Plan.

(e) Expiration of Plan. Unless earlier terminated by the Board pursuant to the provisions of the Plan, the Plan shall expire on the tenth anniversary of the earlier of (i) the date the Plan is adopted by the Board and (ii) the Effective Date. No Awards shall be granted under the Plan after such expiration date, but Awards granted prior to such date may, and the Committee's authority to administer the terms of such Awards, extend beyond that date. The expiration of the Plan shall not affect adversely any of the rights of any Grantee, without such Grantee's consent, under any Award theretofore granted.

(f) Deferrals. The Committee shall have the authority to establish such procedures and programs that it deems appropriate to provide Grantees with the ability to defer receipt of cash, Stock or other property payable with respect to Awards granted under the Plan, provided that such deferrals are made in a manner intended to comply with Code Section 409A.

(g) No Rights to Awards; No Stockholder Rights No Grantee shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Grantees. Except as provided specifically herein, a Grantee or a transferee of an Award shall have no rights as a stockholder with respect to any shares covered by the Award until the date of the issuance of a stock certificate to him for such shares.

(h) Unfunded Status of Awards. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Grantee pursuant to an Award, nothing contained in the Plan or any Award shall give any such Grantee any rights that are greater than those of a general creditor of the Company.

(i) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(j) Regulations and Other Approvals.

(i) The obligation of the Company to sell or deliver Stock with respect to any Award granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

(ii) Each Award is subject to the requirement that, if at any time the Committee determines, in its absolute discretion, that the listing, registration or qualification of Stock issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Award or the issuance of Stock, no such Award shall be granted or payment made or Stock issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Committee.

(iii) In the event that the disposition of Stock acquired pursuant to the Plan is not covered by a then-current registration statement under the Securities Act and is not otherwise exempt from such registration, such Stock shall be restricted against transfer to the extent required by the Securities Act or regulations thereunder, and the Committee may require a Grantee receiving Stock pursuant to the Plan, as a condition precedent to receipt of such Stock, to represent to the Company in writing that the Stock acquired by such Grantee is acquired for investment only and not with a view to distribution.

(iv) The Committee may require a Grantee receiving Stock pursuant to the Plan, as a condition precedent to receipt of such Stock, to enter into a stockholder agreement or "lock-up" agreement in such form as the Committee shall determine is necessary or desirable to further the Company's interests.

(k) Governing Law. The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

(l) Tax Laws. The Plan and Awards made under the Plan are intended to comply with, or be exempt from, the applicable requirements of Code Section 409A, and the Plan and all Awards shall be limited, construed and interpreted in accordance with such intent and Code Section 409A, although the Company provides no guarantee or warranty of such compliance or exemption. To the extent an Award granted under this Plan is considered to be "nonqualified deferred compensation" within the meaning of Code Section 409A, the terms and conditions of such Award are intended not to result in the imposition of penalties under Code Section 409A, and the Plan and Award Agreements shall be interpreted consistent with such intent. Notwithstanding anything herein to the contrary, any provision in the Plan that is inconsistent with Code Section 409A shall be deemed amended to comply with Code Section 409A, and to the extent such provision cannot be amended to comply therewith, such provision shall be null and void.

(m) Company Recoupment of Awards. A Grantee's rights with respect to any Award hereunder shall in all events be subject to (i) any right that the Company may have under any Company clawback or recoupment policy as may be in effect from time to time or any other clawback or recoupment agreement or arrangement applicable to a Grantee; or (ii) any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission.

(n) Corporate Transactions. Nothing in the Plan shall be construed to limit the right of the Company to assume or cancel any awards made by any Person in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of such Person.

(o) Vesting. In the event that any stock-based award vests on a non-trading day, the per share price of the underlying shares of Stock shall be determined using the per share price on the business day immediately preceding such non-trading day.

TRAVEL + LEISURE CO.
SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of Organization
Wyndham Properties Holdings S.C.S.	Luxembourg
Wyndham Hotel Group International, Inc.	Delaware
Wyndham Destination Network, LLC	Delaware
RCI General Holdco 2, LLC	Delaware
Wyndham Worldwide Operations, Inc.	Delaware
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
EMEA Holdings C.V.	Netherlands
Wyndham Holdings	United Kingdom
Wyndham Destination Network LLP	United Kingdom
Sierra Timeshare Conduit Receivables Funding II, LLC	Delaware

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.

TRAVEL + LEISURE CO.
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
	Desert Blue Resort
	Fairfield Durango
	Fairfield Land Company
	Fairfield Resorts
	Fairfield Vacation Club
	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
Wyndham Worldwide Operations, Inc.	Women on Their Way
	Wyndham Green
	Wyndham Worldwide Strategic

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-223859 on Form S-3ASR and in Registration Statement Nos. 333-136090 and 333-228435 on Forms S-8 of our report dated February 24, 2021, relating to the consolidated financial statements of Travel + Leisure Co. (formerly Wyndham Destinations, Inc.) 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 Travel + Leisure Co. for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP
Tampa, Florida
February 24, 2021

Exhibit 31.1

CERTIFICATION

I, Michael D. Brown, certify that:

1. I have reviewed this Annual Report on Form 10-K of Travel + Leisure Co.;

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 24, 2021

/S/ MICHAEL D. BROWN

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Exhibit 31.2

CERTIFICATION

I, Michael A. Hug, certify that:

1. I have reviewed this Annual Report on Form 10-K of Travel + Leisure Co.;

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 24, 2021

/S/ MICHAEL A. HUG

CHIEF FINANCIAL OFFICER

Exhibit 32

CERTIFICATION OF PRESIDENT AND CEO AND CFO PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Annual Report of Travel + Leisure Co. (the "Company") on Form 10-K for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael D. Brown, as President and Chief Executive Officer of the Company, and Michael A. Hug, 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/ MICHAEL D. BROWN

MICHAEL D. BROWN
PRESIDENT AND CHIEF EXECUTIVE OFFICER
FEBRUARY 24, 2021

/S/ MICHAEL A. HUG

MICHAEL A. HUG
CHIEF FINANCIAL OFFICER
FEBRUARY 24, 2021