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

Form 10-Q

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

For the quarterly period ended March 31, 2010

OR

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

For the transition period from _____ to _____

Commission File No. 001-32876

Wyndham Worldwide Corporation

(Exact name of registrant as specified in its charter)

Delaware *(State or other jurisdiction of incorporation or organization)*	**20-0052541** *(I.R.S. Employer Identification No.)*
22 Sylvan Way **Parsippany, New Jersey** *(Address of principal executive offices)*	**07054** *(Zip Code)*

(973) 753-6000
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

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

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

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

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

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

The number of shares outstanding of the issuer's common stock was 179,980,661 shares as of March 31, 2010.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Wyndham Worldwide Corporation
Parsippany, New Jersey

We have reviewed the accompanying consolidated balance sheet of Wyndham Worldwide Corporation and subsidiaries (the "Company") as of March 31, 2010, and the related consolidated statements of income for the three-month periods ended March 31, 2010 and 2009, the related consolidated statements of cash flows for the three-month periods ended March 31, 2010 and 2009, and the related consolidated statement of stockholders' equity for the three-month period ended March 31, 2010. These interim consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2009, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 19, 2010, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2009 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Deloitte & Touche LLP
Parsippany, New Jersey
April 30, 2010

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

	Three Months Ended March 31,	
	2010	**2009**
Net revenues		
Service fees and membership	$ 424	$ 400
Vacation ownership interest sales	217	239
Franchise fees	92	99
Consumer financing	105	109
Other	48	54
Net revenues	886	901
Expenses		
Operating	381	368
Cost of vacation ownership interests	36	49
Consumer financing interest	24	32
Marketing and reservation	123	137
General and administrative	148	135
Asset impairments	—	5
Restructuring costs	—	43
Depreciation and amortization	44	43
Total expenses	756	812
Operating income	130	89
Other income, net	(1)	(2)
Interest expense	50	19
Interest income	(1)	(2)
Income before income taxes	82	74
Provision for income taxes	32	29
Net income	$ 50	$ 45
Earnings per share		
Basic	$ 0.28	$ 0.25
Diluted	0.27	0.25

See Notes to Consolidated Financial Statements.

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In millions, except share and per share amounts)
(Unaudited)

	March 31, 2010	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 163	$ 155
Trade receivables, net	548	404
Vacation ownership contract receivables, net	290	289
Inventory	330	354
Prepaid expenses	118	116
Deferred income taxes	188	189
Other current assets	239	233
Total current assets	1,876	1,740
Long-term vacation ownership contract receivables, net	2,741	2,792
Non-current inventory	963	953
Property and equipment, net	929	953
Goodwill	1,402	1,386
Trademarks, net	675	660
Franchise agreements and other intangibles, net	414	391
Other non-current assets	585	477
Total assets	$ 9,585	$ 9,352
Liabilities and Stockholders' Equity		
Current liabilities:		
Securitized vacation ownership debt	$ 220	$ 209
Current portion of long-term debt	23	175
Accounts payable	402	260
Deferred income	456	417
Due to former Parent and subsidiaries	246	245
Accrued expenses and other current liabilities	562	579
Total current liabilities	1,909	1,885
Long-term securitized vacation ownership debt	1,278	1,298
Long-term debt	2,059	1,840
Deferred income taxes	1,144	1,137
Deferred income	256	267
Due to former Parent and subsidiaries	63	63
Other non-current liabilities	175	174
Total liabilities	6,884	6,664
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $.01 par value, authorized 6,000,000 shares, none issued and outstanding	—	—
Common stock, $.01 par value, authorized 600,000,000 shares, issued 207,806,736 in 2010 and 205,891,254 shares in 2009	2	2
Additional paid-in capital	3,745	3,733
Accumulated deficit	(287)	(315)
Accumulated other comprehensive income	129	138
Treasury stock, at cost—28,041,522 shares in 2010 and 27,284,823 in 2009	(888)	(870)
Total stockholders' equity	2,701	2,688
Total liabilities and stockholders' equity	$ 9,585	$ 9,352

See Notes to Consolidated Financial Statements.

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

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Operating Activities		
Net income	$ 50	$ 45
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	44	43
Provision for loan losses	86	107
Deferred income taxes	11	8
Stock-based compensation	10	8
Excess tax benefits from stock-based compensation	(13)	—
Asset impairments	—	5
Non-cash interest	27	7
Non-cash restructuring	—	15
Net change in assets and liabilities, excluding the impact of acquisitions and dispositions:		
Trade receivables	(118)	(95)
Vacation ownership contract receivables	(28)	(7)
Inventory	(1)	(13)
Prepaid expenses	(8)	(5)
Other current assets	3	24
Accounts payable, accrued expenses and other current liabilities	121	112
Due to former Parent and subsidiaries, net	(1)	(1)
Deferred income	34	(46)
Other, net	(12)	3
Net cash provided by operating activities	205	210
Investing Activities		
Property and equipment additions	(36)	(53)
Net assets acquired, net of cash acquired	(59)	—
Equity investments and development advances	(3)	(2)
Proceeds from asset sales	3	2
Increase in securitization restricted cash	(26)	(10)
(Increase)/decrease in escrow deposit restricted cash	(2)	1
Net cash used in investing activities	(123)	(62)
Financing Activities		
Proceeds from securitized borrowings	418	219
Principal payments on securitized borrowings	(427)	(295)
Proceeds from non-securitized borrowings	220	286
Principal payments on non-securitized borrowings	(476)	(348)
Proceeds from note issuance	247	—
Dividends to shareholders	(22)	(7)
Repurchase of common stock	(16)	—
Proceeds from stock option exercises	7	—
Excess tax benefits from stock-based compensation	13	—
Debt issuance costs	(19)	(1)
Other, net	(18)	(1)
Net cash used in financing activities	(73)	(147)
Effect of changes in exchange rates on cash and cash equivalents	(1)	(2)
Net increase/(decrease) in cash and cash equivalents	8	(1)
Cash and cash equivalents, beginning of period	155	136
Cash and cash equivalents, end of period	$ 163	$ 135

See Notes to Consolidated Financial Statements.

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(In millions)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance as of January 1, 2010	**206**	**$ 2**	**$ 3,733**	**$ (315)**	**$ 138**	**(27)**	**$ (870)**	**$ 2,688**
Comprehensive income								
Net income	—	—	—	50	—	—	—	
Currency translation adjustment, net of tax benefit of $18	—	—	—	—	(16)	—	—	
Reclassification of unrealized loss on cash flow hedge, net of tax benefit of $6	—	—	—	—	8	—	—	
Unrealized losses on cash flow hedges, net of tax benefit of $0	—	—	—	—	(1)	—	—	
Total comprehensive income								**41**
Exercise of stock options	—	—	7	—	—	—	—	7
Issuance of shares for RSU vesting	2	—	—	—	—	—	—	—
Change in deferred compensation	—	—	(7)	—	—	—	—	(7)
Repurchase of common stock	—	—	—	—	—	(1)	(18)	(18)
Change in excess tax benefit on equity awards	—	—	12	—	—	—	—	12
Dividends	—	—	—	(22)	—	—	—	(22)
Balance as of March 31, 2010	**208**	**$ 2**	**$ 3,745**	**$ (287)**	**$ 129**	**(28)**	**$ (888)**	**$ 2,701**

See Notes to Consolidated Financial Statements.

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

1. Basis of Presentation

Wyndham Worldwide Corporation is a global provider of hospitality products and services. The accompanying Consolidated Financial Statements include the accounts and transactions of Wyndham, as well as the entities in which Wyndham directly or indirectly has a controlling financial interest. The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America. All intercompany balances and transactions have been eliminated in the Consolidated Financial Statements.

In presenting the Consolidated Financial Statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates. In management's opinion, the Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of interim results reported. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These financial statements should be read in conjunction with the Company's 2009 Consolidated Financial Statements included in its Annual Report filed on Form 10-K with the Securities and Exchange Commission ("SEC") on February 19, 2010.

Business Description

The Company operates in the following business segments:

- **Lodging**—franchises hotels in the upscale, midscale, economy and extended stay segments of the lodging industry and provides hotel management services for full-service hotels globally.
- **Vacation Exchange and Rentals**—provides vacation exchange products and services to owners of intervals of vacation ownership interests ("VOIs") and markets vacation rental properties primarily on behalf of independent owners.
- **Vacation Ownership**—develops, markets and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts.

Significant Accounting Policies

Intangible Assets. The Company annually (during the fourth quarter of each year subsequent to completing its annual forecasting process) or, more frequently in circumstances prescribed by the guidance for goodwill and other intangible assets, reviews its goodwill and other indefinite-lived intangible assets recorded in connection with business combinations for impairment.

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

Restricted Cash. The largest portion of the Company's restricted cash relates to securitizations. The remaining portion is comprised of cash held in escrow related to the Company's vacation ownership business and cash held in all other escrow accounts. Restricted cash related to securitization was $159 million and $133 million as of March 31, 2010 and December 31, 2009, respectively, of which $87 million and $69 million were recorded within other current assets as of March 31, 2010 and December 31, 2009, respectively, and $72 million and $64 million were recorded within other non-current assets as of March 31, 2010 and December 31, 2009, respectively, on the Consolidated Balance Sheets. Restricted cash related to escrow deposits was $24 million and $19 million as of March 31, 2010 and

December 31, 2009, respectively, which were recorded within other current assets as of March 31, 2010 and December 31, 2009, respectively, on the Consolidated Balance Sheets.

Recently Issued Accounting Pronouncements

Transfers and Servicing. In June 2009, the Financial Accounting Standards Board ("FASB") issued guidance on transfers and servicing of financial assets. The guidance eliminates the concept of a Qualifying Special-Purpose Entity, changes the requirements for derecognizing financial assets and requires additional disclosures in order to enhance information reported to users of financial statements by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets. The guidance is effective for interim or annual reporting periods beginning after November 15, 2009. The Company adopted the guidance on January 1, 2010, as required. See Note 7—Long-term Debt and Borrowing Arrangements for the impact of the adoption of this guidance.

Consolidation. In June 2009, the FASB issued guidance that modifies how a company determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. The guidance clarifies that the determination of whether a company is required to consolidate an entity is based on, among other things, an entity's purpose and design and a company's ability to direct the activities of the entity that most significantly impact the entity's economic performance. The guidance requires an ongoing reassessment of whether a company is the primary beneficiary of a variable interest entity, additional disclosures about a company's involvement in variable interest entities and any significant changes in risk exposure due to that involvement. The guidance is effective for interim or annual reporting periods beginning after November 15, 2009. The Company adopted the guidance on January 1, 2010, as required. See Note 7—Long-term Debt and Borrowing Arrangements for the impact of the adoption of this guidance.

2. Earnings Per Share

The computation of basic and diluted earnings per share ("EPS") is based on the Company's net income available to common stockholders divided by the basic weighted average number of common shares and diluted weighted average number of common shares, respectively.

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

	Three Months Ended March 31,	
	2010	**2009**
Net income	$ 50	$ 45
Basic weighted average shares outstanding	179	178
Stock options and restricted stock units ("RSU")	5	—
Warrants (*)	2	—
Diluted weighted average shares outstanding	186	178
Earnings per share:		
Basic	$ 0.28	$ 0.25
Diluted	0.27	0.25

(*) Represents the dilutive effect of warrants to purchase shares of the Company's common stock related to the May 2009 issuance of the Company's convertible notes (see Note 7—Long-term Debt and Borrowing Arrangements).

The computations of diluted EPS for the three months ended March 31, 2010 and 2009 do not include approximately 4 million and 13 million stock options and stock-settled stock appreciation rights ("SSARs"), respectively, as the effect of their inclusion would have been anti-dilutive to EPS.

Dividend Payments

During the quarterly periods ended March 31, 2010 and 2009, the Company paid cash dividends of $0.12 and $0.04 per share, respectively ($22 million and $7 million, respectively).

3. Acquisitions

Hoseasons. On March 1, 2010, the Company completed the acquisition of Hoseasons Holdings Ltd. ("Hoseasons"), a European vacation rentals business, for $59 million in cash, net of cash acquired. The purchase price resulted in the recognition of $38 million of goodwill, $31 million of definite-lived intangible assets with a weighted average life of 19 years and $17 million of trademarks, all of which were assigned to the Company's Vacation Exchange and Rentals segment. None of the acquired goodwill is expected to be deductible for tax purposes. Management believes that this acquisition offers a strategic fit within the Company's European rentals business and an opportunity to continue to grow the Company's fee-for-service businesses.

4. Intangible Assets

Intangible assets consisted of:

	As of March 31, 2010			As of December 31, 2009		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Unamortized Intangible Assets:						
Goodwill	$ 1,402			$ 1,386		
Trademarks	$ 675			$ 660		
Amortized Intangible Assets:						
Franchise agreements	$ 630	$ 303	$ 327	$ 630	$ 298	$ 332
Other	122	35	87	94	35	59
	$ 752	$ 338	$ 414	$ 724	$ 333	$ 391

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

	Balance at January 1, 2010	Goodwill Acquired During 2010	Foreign Exchange	Balance at March 31, 2010
Lodging	$ 297	$ —	$ —	$ 297
Vacation Exchange and Rentals	1,089	38	(22)	1,105
Total Company	$ 1,386	$ 38	$ (22)	$ 1,402

Amortization expense relating to amortizable intangible assets was as follows:

	Three Months Ended March 31,	
	2010	2009
Franchise agreements	$ 5	$ 5
Other	2	2
Total (*)	$ 7	$ 7

(*) Included as a component of depreciation and amortization on the Company's Consolidated Statements of Income.

Based on the Company's amortizable intangible assets as of March 31, 2010, the Company expects related amortization expense as follows:

	Amount
Remainder of 2010	$ 20
2011	27
2012	26
2013	24
2014	24
2015	24

5. Vacation Ownership Contract Receivables

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

	March 31, 2010	December 31, 2009
Current vacation ownership contract receivables:		
Securitized	$ 241	$ 244
Non-securitized	83	52
Secured (*)	—	28
	324	324
Less: Allowance for loan losses	(34)	(35)
Current vacation ownership contract receivables, net	$ 290	$ 289
Long-term vacation ownership contract receivables:		
Securitized	$ 2,285	$ 2,347
Non-securitized	782	546
Secured (*)	—	234
	3,067	3,127
Less: Allowance for loan losses	(326)	(335)
Long-term vacation ownership contract receivables, net	$ 2,741	$ 2,792

(*) As of December 31, 2009, such receivables collateralized the Company's 364-day, AUD 213 million, secured, revolving foreign credit facility, which was paid down and terminated during March 2010 (See Note 7—Long-term Debt and Borrowing Arrangements).

During the three months ended March 31, 2010 and 2009, the Company's securitized vacation ownership contract receivables generated interest income of $80 million and $82 million, respectively.

Principal payments that are contractually due on the Company's vacation ownership contract receivables during the next twelve months are classified as current on the Company's Consolidated Balance Sheets. During the three months ended March 31, 2010 and 2009, the Company originated vacation ownership contract receivables of $220 million and $211 million, respectively, and received principal collections of $192 million and $204 million, respectively. The weighted average interest rate on outstanding vacation ownership contract receivables was 13.0% at both March 31, 2010 and December 31, 2009.

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

	Amount
Allowance for loan losses as of January 1, 2010	$ (370)
Provision for loan losses	(86)
Contract receivables written-off	96
Allowance for loan losses as of March 31, 2010	$ (360)

In accordance with the guidance for accounting for real estate timesharing transactions, the Company recorded the provision for loan losses of $86 million and $107 million as a reduction of net revenues during the three months ended March 31, 2010 and 2009, respectively.

6. Inventory

Inventory consisted of:

	March 31, 2010	December 31, 2009
Land held for VOI development	$ 119	$ 119
VOI construction in process	346	352
Completed inventory and vacation credits (*)	828	836
Total inventory	1,293	1,307
Less: Current portion	330	354
Non-current inventory	$ 963	$ 953

(*) Includes estimated recoveries of $156 million at both March 31, 2010 and December 31, 2009. Vacation credits relate to both the Company's vacation ownership and vacation exchange and rental businesses.

Inventory that the Company expects to sell within the next twelve months is classified as current on the Company's Consolidated Balance Sheets.

7. Long-Term Debt and Borrowing Arrangements

The Company's indebtedness consisted of:

	March 31, 2010	December 31, 2009
Securitized vacation ownership debt: [a]		
Term notes	$ 1,258	$ 1,112
Bank conduit facility [b]	240	395
Total securitized vacation ownership debt	1,498	1,507
Less: Current portion of securitized vacation ownership debt	220	209
Long-term securitized vacation ownership debt	$ 1,278	$ 1,298
Long-term debt:		
6.00% senior unsecured notes (due December 2016) [c]	$ 798	$ 797
Term loan [d]	—	300
Revolving credit facility (due October 2013) [e]	199	—
9.875% senior unsecured notes (due May 2014) [f]	239	238
3.50% convertible notes (due May 2012) [g]	448	367
7.375% senior unsecured notes (due March 2020) [h]	247	—
Vacation ownership bank borrowings [i]	—	153
Vacation rentals capital leases [j]	123	133
Other	28	27
Total long-term debt	2,082	2,015
Less: Current portion of long-term debt	23	175
Long-term debt	$ 2,059	$ 1,840

(a) Represents 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.

(b) Represents a 364-day, $600 million, non-recourse vacation ownership bank conduit facility, with a term through October 2010 whose capacity is subject to the Company's ability to provide additional assets to collateralize the facility. As of March 31, 2010, the total available capacity of the facility was $360 million.

(c) The balance as of March 31, 2010 represents $800 million aggregate principal less $2 million of unamortized discount.

(d) The term loan facility was fully repaid during March 2010.

(e) The revolving credit facility has a total capacity of $950 million, which includes availability for letters of credit. As of March 31, 2010, the Company had $30 million of letters of credit outstanding and, as such, the total available capacity of the revolving credit facility was $721 million.

(f) Represents senior unsecured notes issued by the Company during May 2009. Such balance represents $250 million aggregate principal less $11 million of unamortized discount.

(g) Represents cash convertible notes issued by the Company during May 2009, which includes debt principal, less unamortized discount, and a liability related to a bifurcated conversion feature. The following table details the components of the convertible notes:

	March 31, 2010	December 31, 2009
Debt principal	$ 230	$ 230
Unamortized discount	(35)	(39)
Debt less discount	195	191
Fair value of bifurcated conversion feature (*)	253	176
Cash convertible notes	$ 448	$ 367

(*) The Company also has an asset with a fair value approximate to the bifurcated conversion feature, which represents cash-settled call options that the Company purchased concurrent with the issuance of the convertible notes.

(h) Represents senior unsecured notes issued by the Company during February 2010. Such balance represents $250 million aggregate principal less $3 million of unamortized discount.

(i) Represents a 364-day, AUD 213 million, secured, revolving foreign credit facility, which was paid down and terminated during March 2010.

(j) Represents capital lease obligations with corresponding assets classified within property and equipment on the Company's Consolidated Balance Sheets.

2010 Debt Issuances

7.375% Senior Unsecured Notes. On February 25, 2010, the Company issued senior unsecured notes, with face value of $250 million and bearing interest at a rate of 7.375%, for net proceeds of $247 million. Interest began accruing on February 25, 2010 and is payable semi-annually in arrears on March 1 and September 1 of each year, commencing on September 1, 2010. The notes will mature on March 1, 2020 and are redeemable at the Company's option at any time, in whole or in part, at the stated redemption prices plus accrued interest through the redemption date. These notes rank equally in right of payment with all of the Company's other senior unsecured indebtedness.

Sierra Timeshare 2010-1 Receivables Funding, LLC. On March 12, 2010, the Company closed a series of term notes payable, Sierra Timeshare 2010-1 Receivables Funding, LLC, in the initial principal amount of $300 million. These borrowings bear interest at a coupon rate of 4.48% and are secured by vacation ownership contract receivables. As of March 31, 2010, the Company had $300 million of outstanding borrowings under these term notes.

Revolving Credit Facility. On March 29, 2010, the Company replaced its five-year $900 million revolving credit facility with a $950 million revolving credit facility that expires on October 1, 2013. This facility is subject to a fee of 50 basis points based on total capacity and bears interest at LIBOR plus 250 basis points. The interest rate of this facility is dependent on the Company's credit ratings and the outstanding balance of borrowings on this facility. As of March 31, 2010, the Company had $199 million of outstanding borrowings and $30 million of outstanding letters of credit and, as such, the total available remaining capacity was $721 million.

3.50% Convertible Notes

During May 2009, the Company issued convertible notes ("Convertible Notes") with face value of $230 million and bearing interest at a rate of 3.50%. The Company accounted for the conversion feature as a derivative instrument under the guidance for derivatives and bifurcated such conversion feature from the Convertible Notes for accounting purposes ("Bifurcated Conversion Feature"). The Convertible Notes have an initial conversion reference rate of 78.5423 shares of common stock per $1,000 principal amount (equivalent to an initial conversion price of approximately $12.73 per share of the Company's common stock), subject to adjustment, with the principal amount and remainder payable in cash. The Convertible Notes are not convertible into the Company's common stock or any other securities under any circumstances.

Concurrent with the Company's issuance of the Convertible Notes during May 2009, the Company entered into convertible note hedge and warrant transactions ("Warrants") with certain counterparties. The Company purchased cash-settled call options ("Call Options") that are expected to reduce the Company's exposure to potential cash payments required to be made by the Company upon the cash conversion of the Convertible Notes. The Warrants and Call Options are recorded on the Consolidated Balance Sheets as a component of additional paid-in capital and other non-current assets, respectively.

If the market price per share of the Company's common stock at the time of cash conversion of any Convertible Notes is above the strike price of the Call Options (which strike price is the same as the equivalent initial conversion price of the Convertible Notes of approximately $12.73 per share of the Company's common stock), such Call Options will entitle the Company to receive from the counterparties, in the aggregate, the same amount of cash as it would be required to issue to the holder of the Convertible Notes in excess of the principal amount thereof.

Pursuant to the Warrants, the Company sold to the counterparties Warrants to purchase in the aggregate up to approximately 18 million shares of the Company's common stock at an exercise price of $20.16 (which represents a premium of approximately 90% over the Company's closing price per share on May 13, 2009 of $10.61) as of December 31, 2009. The Company expects the Warrants to be net share settled, meaning that the Company will issue a number of shares per Warrant corresponding to the difference between the Company's share price at each Warrant expiration date and the exercise price of the Warrant. The Warrants may not be exercised prior to the maturity of the Convertible Notes.

During March 2010, the Company increased its dividend from $0.04 per share to $0.12 per share. The Convertible Notes, Call Options and Warrants contain anti-dilution provisions that required certain adjustments to be made as a result of all quarterly cash dividend increases above $0.04 per share that occur prior to the maturity date of the Convertible Notes, Call Options and Warrants. As a result of such adjustments, as of March 31, 2010, the Convertible Notes have a conversion reference rate of 78.8115 shares of common stock per $1,000 principal amount (equivalent to a conversion price of approximately $12.69 per share of the Company's common stock), the conversion price of the Call Options is $12.69 and the exercise price of the Warrants is $20.09.

Early Extinguishment of Debt

In connection with the early extinguishment of the term loan facility, the Company effectively terminated a related interest rate swap agreement, which resulted in the reclassification of a $14 million unrealized loss from accumulated other comprehensive income to interest expense on the Company's Consolidated Statement of Income. The Company incurred an additional $2 million of costs during the first quarter of 2010 in connection with the early extinguishment of its term loan and revolving foreign credit facilities, which is also included within interest expense on the Company's Consolidated Statement of Income. The Company's revolving foreign credit facility was paid down with a portion of the proceeds from the 7.375% senior unsecured notes. The remaining proceeds were used, in addition to borrowings under the Company's revolving credit facility, to pay down the Company's term loan facility.

Covenants

The revolving credit facility is subject to covenants including the maintenance of specific financial ratios. The financial ratio covenants consist of a minimum consolidated interest coverage ratio of at least 3.0 to 1.0 as of the measurement date and a maximum consolidated leverage ratio not to exceed 3.75 to 1.0 on the measurement date. The consolidated 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 March 31, 2010, the Company's interest coverage ratio was 7.2 times. Consolidated Interest Expense excludes, among other things, interest expense on any Securitization Indebtedness (as defined in the credit agreement). The consolidated leverage ratio is calculated by dividing Consolidated Total Indebtedness (as defined in the credit agreement and which excludes, among other things, Securitization Indebtedness) as of the measurement date by Consolidated EBITDA as measured on a trailing 12 month basis preceding the measurement date. As of March 31, 2010, the Company's leverage ratio was 2.2 times. Covenants in these credit facilities also include limitations on indebtedness of material subsidiaries; liens; mergers, consolidations, liquidations and dissolutions; sale of all or substantially all assets; and sale and leaseback transactions. Events of default in these credit facilities include failure to pay interest, principal and fees when due; breach of covenants; acceleration of or failure to pay other debt in excess of $50 million (excluding securitization indebtedness); insolvency matters; and a change of control.

The 6.00% senior unsecured notes, 9.875% senior unsecured notes and 7.375% senior unsecured notes contain various covenants including limitations on liens, limitations on potential sale and leaseback transactions and change of control restrictions. In addition, there are limitations on mergers, consolidations and potential sale of all or substantially all of the Company's assets. Events of default in the notes include failure to pay interest and principal when due, breach of a covenant or warranty, acceleration of other debt in excess of $50 million and insolvency matters. The Convertible Notes do not contain affirmative or negative covenants; however, the limitations on mergers, consolidations and potential sale of all or substantially all of the Company's assets and the events of default for the Company's senior unsecured notes are applicable to such notes. Holders of the Convertible Notes have the right to require the Company to repurchase the Convertible Notes at 100% of principal plus accrued and unpaid interest in the event of a fundamental change, defined to include, among other things, a change of control, certain recapitalizations and if the Company's common stock is no longer listed on a national securities exchange.

As of March 31, 2010, the Company was in compliance with all of the covenants described above including the required financial ratios.

Each of the Company's non-recourse, securitized term notes and the bank conduit facility contain various triggers relating to the performance of the applicable loan pools. For example, if the vacation ownership contract receivables 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 amortize the outstanding principal held by the noteholders. As of March 31, 2010, all of the Company's securitized pools were in compliance with applicable triggers.

Maturities and Capacity

The Company's outstanding debt as of March 31, 2010 matures as follows:

	Securitized Vacation Ownership Debt	Other	Total
Within 1 year	$ 220	$ 23	$ 243
Between 1 and 2 years	356	12	368
Between 2 and 3 years	182	472(*)	654
Between 3 and 4 years	197	209	406
Between 4 and 5 years	175	250	425
Thereafter	368	1,116	1,484
	$ 1,498	$ 2,082	$ 3,580

(*) Includes a liability related to a Bifurcated Conversion Feature associated with the Company's Convertible Notes.

As debt maturities of the securitized vacation ownership debt are based on the contractual payment terms of the underlying vacation ownership contract receivables, actual maturities may differ as a result of prepayments by the vacation ownership contract receivable obligors.

As of March 31, 2010, available capacity under the Company's borrowing arrangements was as follows:

	Total Capacity	Outstanding Borrowings	Available Capacity
Securitized vacation ownership debt:			
Term notes	$ 1,258	$ 1,258	$ —
Bank conduit facility (a)	600	240	360
Total securitized vacation ownership debt (b)	$ 1,858	$ 1,498	$ 360
Long-term debt:			
6.00% senior unsecured notes (due December 2016)	$ 798	$ 798	$ —
Revolving credit facility (due October 2013) (c)	950	199	751
9.875% senior unsecured notes (due May 2014)	239	239	—
3.50% convertible notes (due May 2012)	448	448	—
7.375% senior unsecured notes (due March 2020)	247	247	—
Vacation rentals capital leases	123	123	—
Other	49	28	21
Total long-term debt	$ 2,854	$ 2,082	772
Less: Issuance of letters of credit (c)			30
			$ 742

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

(b) These outstanding borrowings are collateralized by $2,712 million of underlying gross vacation ownership contract receivables and related assets.

(c) The capacity under the Company's revolving credit facility includes availability for letters of credit. As of March 31, 2010, the available capacity of $751 million was further reduced by $30 million for the issuance of letters of credit.

Vacation Ownership Contract Receivables and Securitizations

The Company pools qualifying vacation ownership contract receivables and sells them to bankruptcy-remote entities. Vacation ownership contract receivables qualify for securitization based primarily on the credit strength of the VOI purchaser to whom financing has been extended. Vacation ownership contract receivables are securitized through bankruptcy-remote SPEs that are consolidated within the Company's 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. Income is recognized when earned over the contractual life of the vacation ownership contract receivables. The Company services the securitized vacation ownership contract receivables pursuant to servicing agreements negotiated on an arms-length basis based on market conditions. The activities of these SPEs are limited to (i) purchasing vacation ownership contract receivables from the Company's vacation ownership subsidiaries; (ii) issuing debt securities and/or borrowing under a conduit facility to fund such purchases; and (iii) entering into derivatives to hedge

interest rate exposure. The assets of these bankruptcy-remote SPEs are not available to pay the Company's general obligations. Additionally, 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:

	March 31, 2010	December 31, 2009
Securitized contract receivables, gross (a)	$ 2,526	$ 2,591
Securitized restricted cash (b)	159	133
Interest receivables on securitized contract receivables (c)	19	20
Other assets (d)	8	11
Total SPE assets (e)	2,712	2,755
Securitized term notes (f)	1,258	1,112
Securitized conduit facilities (f)	240	395
Other liabilities (g)	28	26
Total SPE liabilities	1,526	1,533
SPE assets in excess of SPE liabilities	$ 1,186	$ 1,222

(a) Included in current ($241 million and $244 million as of March 31, 2010 and December 31, 2009, respectively) and non-current ($2,285 million and $2,347 million as of March 31, 2010 and December 31, 2009, respectively) vacation ownership contract receivables on the Company's Consolidated Balance Sheets.

(b) Included in other current assets ($87 million and $69 million as of March 31, 2010 and December 31, 2009, respectively) and other non-current assets ($72 million and $64 million as of March 31, 2010 and December 31, 2009, respectively) on the Company's Consolidated Balance Sheets.

(c) Included in trade receivables, net on the Company's Consolidated Balance Sheets.

(d) Primarily includes interest rate derivative contracts and related assets; included in other non-current assets on the Company's Consolidated Balance Sheets.

(e) Excludes deferred financing costs of $19 million and $20 million as of March 31, 2010 and December 31, 2009, respectively, related to securitized debt.

(f) Included in current ($220 million and $209 million as of March 31, 2010 and December 31, 2009, respectively) and long-term ($1,278 million and $1,298 million as of March 31, 2010 and December 31, 2009, respectively) securitized vacation ownership debt on the Company's Consolidated Balance Sheets.

(g) Primarily includes interest rate derivative contracts and accrued interest on securitized debt; included in accrued expenses and other current liabilities ($4 million as of both March 31, 2010 and December 31, 2009) and other non-current liabilities ($24 million and $23 million as of March 31, 2010 and December 31, 2009, respectively) on the Company's Consolidated Balance Sheets.

In addition, the Company has vacation ownership contract receivables that have not been securitized through bankruptcy-remote SPEs. Such gross receivables were $865 million and $860 million as of March 31, 2010 and December 31, 2009, respectively. A summary of such receivables and total vacation ownership SPE assets, in excess of SPE liabilities and net of the allowance for loan losses, is as follows:

	March 31, 2010	December 31, 2009
SPE assets in excess of SPE liabilities	$ 1,186	$ 1,222
Non-securitized contract receivables	865	598
Secured contract receivables (*)	—	262
Allowance for loan losses	(360)	(370)
Total, net	$ 1,691	$ 1,712

(*) As of December 31, 2009, such receivables collateralized the Company's secured, revolving foreign credit facility, which was paid down and terminated during March 2010.

Interest Expense

Interest expense incurred in connection with the Company's non-securitized debt was $35 million and $22 million during the three months ended March 31, 2010 and 2009, respectively. Additionally, in connection with the early extinguishment of the term loan facility, the Company effectively terminated a related interest rate swap agreement, which resulted in the reclassification of a $14 million unrealized loss from accumulated other comprehensive income to interest expense. The Company also incurred an additional $2 million of costs during the first quarter of 2010 in connection with the early extinguishment of its term loan and revolving foreign credit facilities, which was also

included within interest expense. Cash paid related to such interest expense was $13 million and $10 million during the three months ended March 31, 2010 and 2009, respectively.

Interest expense is partially offset on the Consolidated Statements of Income by capitalized interest of $1 million and $3 million during the three months ended March 31, 2010 and 2009, respectively.

Cash paid related to consumer financing interest expense was $21 million and $28 million during the three months ended March 31, 2010 and 2009, respectively.

8. Fair Value

The guidance for fair value measurements requires additional disclosures about the Company's assets and liabilities that are measured at fair value. The following table presents information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2010, and indicates the fair value hierarchy of the valuation techniques utilized by the Company 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.

		Fair Value Measure on a Recurring Basis	
	As of March 31, 2010	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Derivatives (a)			
Convertible Notes related Call Options	$ 253	$ —	$ 253
Interest rate contracts	6	6	—
Foreign exchange contracts	4	4	—
Securities available-for-sale (b)	5	—	5
Total assets	$ 268	$ 10	$ 258
Liabilities:			
Derivatives (c)			
Bifurcated Conversion Feature	$ 253	$ —	$ 253
Interest rate contracts	43	43	—
Foreign exchange contracts	5	5	—
Total liabilities	$ 301	$ 48	$ 253

(a) Included in other current assets and other non-current assets on the Company's Consolidated Balance Sheet.

(b) Included in other non-current assets on the Company's Consolidated Balance Sheet.

(c) Included in long-term debt, accrued expenses and other current liabilities and other non-current liabilities on the Company's Consolidated Balance Sheet.

The Company's derivative instruments primarily consist of the Call Options and Bifurcated Conversion Feature related to the Convertible Notes, pay-fixed/receive-variable interest rate swaps, interest rate caps, foreign exchange forward contracts and foreign exchange average rate forward contracts (see Note 9—Derivative Instruments and Hedging Activities for more detail). For assets and liabilities that are measured using quoted prices in active markets, the fair

value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using other significant observable inputs are valued by reference to similar assets and liabilities. For these items, a significant portion of fair value is derived by reference to quoted prices of similar assets and liabilities in active markets. For assets and liabilities that are measured using significant unobservable inputs, fair value is derived using a fair value model, such as a discounted cash flow model.

The following table presents additional information about financial assets which are measured at fair value on a recurring basis for which the Company has utilized Level 3 inputs to determine fair value as of March 31, 2010:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Derivative Asset-Call Options	Derivative Liability-Bifurcated Conversion Feature	Securities Available-For-Sale
Balance as of January 1, 2010	$ 176	$ (176)	$ 5
Change in fair value	77	(77)	—
Balance as of March 31, 2010	$ 253	$ (253)	$ 5

The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The carrying amounts of cash and cash equivalents, restricted cash, trade receivables, accounts payable and accrued expenses and other current liabilities approximate fair value due to the short-term maturities of these assets and liabilities. The carrying amounts and estimated fair values of all other financial instruments are as follows:

	March 31, 2010		December 31, 2009	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Vacation ownership contract receivables, net	$ 3,031	$ 2,831	$ 3,081	$ 2,809
Debt				
Total debt (a)	3,580	3,298	3,522	3,405
Derivatives				
Foreign exchange contracts (b)				
Assets	4	4	3	3
Liabilities	(5)	(5)	(2)	(2)
Interest rate contracts (c)				
Assets	6	6	5	5
Liabilities	(43)	(43)	(45)	(45)
Convertible Notes related Call Options				
Assets	253	253	176	176

(a) As of March 31, 2010 and December 31, 2009, includes $253 million and $176 million, respectively, related to a Bifurcated Conversion Feature liability.

(b) Instruments are in net gain positions as of March 31, 2010 and December 31, 2009.

(c) Instruments are in net loss positions as of March 31, 2010 and December 31, 2009.

The weighted average interest rate on outstanding vacation ownership contract receivables was 13.0% as of both March 31, 2010 and December 31, 2009. The estimated fair value of the vacation ownership contract receivables as of March 31, 2010 and December 31, 2009 was approximately 93% and 91%, respectively, of the carrying value. The primary reason for the fair value being lower than the carrying value related to the volatile credit markets in 2010 and during 2009. Although the outstanding vacation ownership contract receivables had weighted average interest rates of 13.0% as of both March 31, 2010 and December 31, 2009, the estimated market rate of return for a portfolio of contract receivables of similar characteristics in market conditions during both the three months ended March 31, 2010 and for the year ended December 31, 2009 was 14%.

9. Derivative Instruments and Hedging Activities

Foreign Currency Risk

The Company uses foreign currency forward contracts to manage its exposure to changes in foreign currency exchange rates associated with its foreign currency denominated receivables, forecasted earnings of foreign subsidiaries and forecasted foreign currency denominated vendor costs. The Company primarily hedges its foreign currency exposure to the British pound and Euro. The forward contracts utilized by the Company do not qualify for hedge accounting treatment under the guidance for hedging. The fluctuations in the value of these forward contracts do, however, largely offset the impact of changes in the value of the underlying risk that they are intended to hedge. The impact of these forward contracts was a loss of $8 million and $2 million included in operating expense on the Company's Consolidated Statements of Income during the three months ended March 31, 2010 and 2009, respectively. The impact of these forward contracts was not material to the Company's financial position or cash flows during the three months ended March 31, 2010 and 2009. The pre-tax amount of gains or losses reclassified from other comprehensive income to earnings resulting from ineffectiveness or from excluding a component of the forward contracts' gain or loss from the effectiveness calculation for cash flow hedges during the three months ended March 31, 2010 and 2009 was not material. The amount of gains or losses the Company expects to reclassify from other comprehensive income to earnings over the next 12 months is not material.

Interest Rate Risk

The debt used to finance much of the Company's operations is also exposed to interest rate fluctuations. The Company uses various hedging strategies and derivative financial instruments to create a desired mix of fixed and floating rate assets and liabilities. Derivative instruments currently used in these hedging strategies include swaps and interest rate caps.

The derivatives used to manage the risk associated with the Company's floating rate debt include freestanding derivatives and derivatives designated as cash flow hedges. In connection with its qualifying cash flow hedges, the Company recorded a net pre-tax loss of $1 million and a net pre-tax gain of $6 million during the three months ended March 31, 2010 and 2009, respectively, to other comprehensive income. The pre-tax amount of gains or losses reclassified from other comprehensive income to consumer financing interest or interest expense resulting from ineffectiveness or from excluding a component of the derivatives' gain or loss from the effectiveness calculation for cash flow hedges was insignificant during the three months ended March 31, 2010 and 2009. In connection with the early extinguishment of the term loan facility (See Note 7—Long-Term Debt and Borrowing Arrangements), the Company effectively terminated the interest rate swap agreement, which resulted in the reclassification of a $14 million unrealized loss from accumulated other comprehensive income to interest expense on the Company's Consolidated Statement of Income. The amount of losses that the Company expects to reclassify from other comprehensive income to earnings during the next 12 months is not material. The impact of the freestanding derivatives was a gain of $3 million and $2 million included in consumer financing interest expense on the Company's Consolidated Statements of Income during the three months ended March 31, 2010 and 2009, respectively. The freestanding derivatives had an immaterial impact on the Company's financial position and cash flows during the three months ended March 31, 2010 and 2009.

The following table summarizes information regarding the Company's derivative instruments as of March 31, 2010:

	Assets		Liabilities	
	Balance Sheet Location	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Derivatives designated as hedging instruments				
Interest rate contracts			Other non-current liabilities	$ 25
Derivatives not designated as hedging instruments				
Interest rate contracts	Other non-current assets	$ 6	Other non-current liabilities	$ 18
Foreign exchange contracts	Other current assets	4	Accrued exp. & other current liabs.	5
Convertible Notes related				
Call Options (*)	Other non-current assets	253		—
Bifurcated Conversion Feature (*)		—	Long-term debt	253
Total derivatives not designated as hedging instruments		$ 263		$ 276

(*) See Note 7—Long-Term Debt and Borrowing Arrangements for further detail.

The following table summarizes information regarding the Company's derivative instruments as of December 31, 2009:

	Assets		Liabilities	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments				
Interest rate contracts			Other non-current liabilities	$ 39
Derivatives not designated as hedging instruments				
Interest rate contracts	Other non-current assets	$ 5	Other non-current liabilities	$ 6
Foreign exchange contracts	Other current assets	3	Accrued exp. & other current liabs.	2
Convertible Notes related				
Call Options (*)	Other non-current assets	176		—
Bifurcated Conversion Feature (*)		—	Long-term debt	176
Total derivatives not designated as hedging instruments		$ 184		$ 184

(*) See Note 7—Long-Term Debt and Borrowing Arrangements for further detail.

10. Income Taxes

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2003. During the first quarter of 2007, the Internal Revenue Service ("IRS") opened an examination for Cendant Corporation's ("Cendant" or "former Parent") taxable years 2003 through 2006 during which the Company was included in Cendant's tax returns.

The rules governing taxation are complex and subject to varying interpretations. Therefore, the Company's tax accruals reflect a series of complex judgments about future events and rely heavily on estimates and assumptions. The Company believes that the accruals for tax liabilities are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter; however, the outcome of the tax audits is inherently uncertain. While the Company believes that the estimates and assumptions supporting its tax accruals are reasonable, tax audits and any related litigation could result in tax liabilities for the Company that are materially different than those reflected in the Company's historical income tax provisions and recorded assets and liabilities. The result of an audit or related litigation, including disputes or litigation on the allocation of tax liabilities between parties under the tax sharing agreement, could have a material adverse effect on the Company's income tax provision, net income, and/or cash flows in the period or periods to which such audit or litigation relates.

The Company's recorded tax liabilities in respect of such taxable years represent the Company's current best estimates of the probable outcome with respect to certain tax positions taken by Cendant for which the Company would be responsible under the tax sharing agreement. As discussed above, however, the rules governing taxation are complex and subject to varying interpretation. There can be no assurance that the IRS will not propose adjustments to the returns for which the Company would be responsible under the tax sharing agreement or that any such proposed adjustments would not be material. Any determination by the IRS or a court that imposed tax liabilities on the Company under the tax sharing agreement in excess of the Company's tax accruals could have a material adverse effect on the Company's income tax provision, net income and/or cash flows. See Note 16—Separation Adjustments and Transactions with Former Parent and Subsidiaries for more information related to contingent tax liabilities.

The Company's effective tax rate of 39% includes non-deductible costs related to the acquisition of Hoseasons. Excluding such costs, the Company's effective tax rate would have been 38%.

The Company made cash income tax payments, net of refunds, of $10 million and $12 million during the three months ended March 31, 2010 and 2009, respectively. Such payments exclude income tax related payments made to former Parent.

11. Commitments and Contingencies

The Company is involved in claims, legal proceedings and governmental inquiries related to the Company's business. See Part II, Item 1, "Legal Proceedings" for a description of claims and legal actions arising in the ordinary course of the Company's business. See also Note 16—Separation Adjustments and Transactions with Former Parent and

Subsidiaries regarding contingent litigation liabilities resulting from the Company's separation from its former Parent ("Separation").

The Company believes that it has adequately accrued for such matters with reserves of $37 million as of March 31, 2010. Such amount is exclusive of matters relating to the Separation. For matters not requiring accrual, the Company believes that such matters will not have a material adverse effect on its results of operations, financial position or cash flows based on information currently available. However, litigation is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable resolutions could occur. As such, an adverse outcome from such unresolved proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to the Company with respect to earnings or cash flows in any given reporting period. However, the Company does not believe that the impact of such unresolved litigation should result in a material liability to the Company in relation to its consolidated financial position or liquidity.

12. Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income as of March 31, 2010 are as follows:

	Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges, Net	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Income
Balance, January 1, 2010, net of tax benefit of $32	$ 166	$ (27)	$ (1)	$ 138
Current period change	(16)	7(*)	—	(9)
Balance, March 31, 2010, net of tax benefit of $44	$ 150	$ (20)	$ (1)	$ 129

(*) Primarily represents the reclassification of an after-tax unrealized loss associated with the termination of an interest rate swap agreement in connection with the early extinguishment of the term loan facility (See Note 7—Long-Term Debt and Borrowing Arrangements).

The components of accumulated other comprehensive income as of March 31, 2009 are as follows:

	Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges, Net	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Income
Balance, January 1, 2009, net of tax benefit of $72	$ 141	$ (45)	$ 2	$ 98
Current period change	(9)	4	—	(5)
Balance, March 31, 2009, net of tax benefit of $82	$ 132	$ (41)	$ 2	$ 93

Foreign currency translation adjustments exclude income taxes related to investments in foreign subsidiaries where the Company intends to reinvest the undistributed earnings indefinitely in those foreign operations.

13. Stock-Based Compensation

The Company has a stock-based compensation plan available to grant non-qualified stock options, incentive stock options, SSARs, restricted stock, RSUs and other stock or cash-based awards to key employees, non-employee directors, advisors and consultants. Under the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, which was amended and restated as a result of shareholders' approval at the May 12, 2009 annual meeting of shareholders, a maximum of 36.7 million shares of common stock may be awarded. As of March 31, 2010, 14.1 million shares remained available.

Incentive Equity Awards Granted by the Company

The activity related to incentive equity awards granted by the Company for the three months ended March 31, 2010 consisted of the following:

	RSUs		SSARs	
	Number of RSUs	**Weighted Average Grant Price**	**Number of SSARs**	**Weighted Average Exercise Price**
Balance as of January 1, 2010	8.3	$ 9.60	2.1	$ 21.70
Granted	1.8(b)	22.84	0.2(b)	22.84
Vested/exercised	(2.3)	6.90	—	—
Canceled	(0.1)	10.77	—	—
Balance as of March 31, 2010 (a)	7.7(c)	13.56	2.3(d)	21.77

(a) Aggregate unrecognized compensation expense related to SSARs and RSUs was $92 million as of March 31, 2010 which is expected to be recognized over a weighted average period of 2.8 years.

(b) Represents awards granted by the Company on February 24, 2010.

(c) Approximately 7.3 million RSUs outstanding as of March 31, 2010 are expected to vest over time.

(d) Approximately 1.1 million of the 2.3 million SSARs are exercisable as of March 31, 2010. The Company assumes that all unvested SSARs are expected to vest over time. SSARs outstanding as of March 31, 2010 had an intrinsic value of $16 million and have a weighted average remaining contractual life of 4.1 years.

On February 24, 2010, the Company approved grants of incentive equity awards totaling $43 million to key employees and senior officers of Wyndham in the form of RSUs and SSARs. These awards will vest ratably over a period of four years.

The fair value of SSARs granted by the Company on February 24, 2010 was estimated on the date of grant using the Black-Scholes option-pricing model with the relevant weighted average assumptions outlined in the table below. Expected volatility is based on both historical and implied volatilities of (i) the Company's stock and (ii) the stock of comparable companies over the estimated expected life of the SSARs. The expected life represents the period of time the SSARs are expected to be outstanding and is based on the "simplified method," as defined in Staff Accounting Bulletin 110. The risk free interest rate is based on yields on U.S. Treasury strips with a maturity similar to the estimated expected life of the SSARs. The projected dividend yield was based on the Company's anticipated annual dividend divided by the twelve-month target price of the Company's stock on the date of the grant.

	SSARs Issued on February 24, 2010
Grant date fair value	$ 8.66
Grant date strike price	$ 22.84
Expected volatility	53.0%
Expected life	4.25 yrs.
Risk free interest rate	2.07%
Projected dividend yield	2.10%

Stock-Based Compensation Expense

The Company recorded stock-based compensation expense of $10 million and $8 million during the three months ended March 31, 2010 and 2009, respectively, related to the incentive equity awards granted by the Company. The Company recognized $4 million and $3 million of a net tax benefit during the three months ended March 31, 2010 and 2009, respectively, for stock-based compensation arrangements on the Consolidated Statements of Income. During the three months ended March 31, 2010, the Company increased its pool of excess tax benefits available to absorb tax deficiencies ("APIC Pool") by $12 million due to the vesting of RSUs and exercise of stock options. As of December 31, 2009, the Company's APIC Pool balance was $0.

Incentive Equity Awards

Prior to August 1, 2006, all employee stock awards (stock options and RSUs) were granted by Cendant. At the time of Separation, a portion of Cendant's outstanding equity awards were converted into equity awards of the Company at a ratio of one share of the Company's common stock for every five shares of Cendant's common stock. As a result, the

Company issued approximately 2 million RSUs and approximately 24 million stock options upon completion of the conversion of existing Cendant equity awards into Wyndham equity awards. As of March 31, 2010, there were 5 million converted stock options and no converted RSUs outstanding.

As of March 31, 2010, the 5 million converted stock options outstanding had a weighted average exercise price of $30.17, a weighted average remaining contractual life of 1.4 years and all 5 million options were exercisable. There were 2 million outstanding "in-the-money" stock options, which had an aggregate intrinsic value of $12 million.

The Company withheld $17 million of taxes for the net share settlement of incentive equity awards during the three months ended March 31, 2010. Such amount is included in other, net within financing activities on the Consolidated Statement of Cash Flows.

14. Segment Information

The reportable segments presented below represent the Company's operating segments for which separate financial information is available and which is utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. Management evaluates the operating results of each of its reportable segments based upon net revenues and "EBITDA," which is defined as net income before depreciation and amortization, interest expense (excluding consumer financing interest), interest income (excluding consumer financing interest) and income taxes, each of which is presented on the Company's Consolidated Statements of Income. The Company's presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

	Three Months Ended March 31,			
	2010		2009	
	Net Revenues	EBITDA	Net Revenues	EBITDA [d]
Lodging	$ 144	$ 33	$ 154	$ 35
Vacation Exchange and Rentals	300	80 [c]	287	76
Vacation Ownership	444	82	462	44 [e]
Total Reportable Segments	888	195	903	155
Corporate and Other [a][b]	(2)	(20)	(2)	(21)
Total Company	$ 886	175	$ 901	134
Depreciation and amortization		44		43
Interest expense		50 [f]		19
Interest income		(1)		(2)
Income before income taxes		$ 82		$ 74

(a) Includes the elimination of transactions between segments.

(b) Includes $2 million and $4 million of a net expense related to the resolution of and adjustment to certain contingent liabilities and assets during the three months ended March 31, 2010 and 2009, respectively, and $18 million and $17 million of corporate costs during the three months ended March 31, 2010 and 2009, respectively.

(c) Includes $4 million of costs incurred in connection with the Company's acquisition of Hoseasons during March 2010.

(d) Includes restructuring costs of $3 million, $4 million, $35 million and $1 million for Lodging, Vacation Exchange and Rentals, Vacation Ownership and Corporate and Other, respectively, during the three months ended March 31, 2009.

(e) Includes a non-cash impairment charge of $5 million to reduce the value of certain vacation ownership properties and related assets held for sale that are no longer consistent with the Company's development plans.

(f) Includes $1 million and $15 million for Vacation Ownership and Corporate and Other, respectively, of costs incurred for the early extinguishment of the Company's revolving foreign credit facility and term loan facility during March 2010.

15. Restructuring

During 2008, the Company committed to various strategic realignment initiatives targeted principally at reducing costs, enhancing organizational efficiency and consolidating and rationalizing existing processes and facilities. During the three months ended March 31, 2009, the Company recorded $43 million of incremental restructuring costs. During the three months ended March 31, 2010, the Company reduced its liability with $4 million of cash payments. The remaining liability of $18 million is expected to be paid in cash; $17 million of facility-related by September 2017 and $1 million of personnel-related by December 2010.

Total restructuring costs by segment for the three months ended March 31, 2009 are as follows:

	Personnel Related (a)	Facility Related (b)	Asset Write-off's/ Impairments (c)	Contract Termination (d)	Total
Lodging	$ 3	$ —	$ —	$ —	$ 3
Vacation Exchange and Rentals	3	1	—	—	4
Vacation Ownership	1	19	14	1	35
Corporate	1	—	—	—	1
Total	$ 8	$ 20	$ 14	$ 1	$ 43

(a) Represents severance benefits resulting from reductions of approximately 320 in staff. The Company formally communicated the termination of employment to substantially all 320 employees, representing a wide range of employee groups. As of March 31, 2009, the Company had terminated approximately 215 of these employees.

(b) Primarily related to the termination of leases of certain sales offices.

(c) Primarily related to the write-off of assets from sales office closures and cancelled development projects.

(d) Primarily represents costs incurred in connection with the termination of a property development contract.

The activity related to the restructuring costs is summarized by category as follows:

	Liability as of January 1, 2010	Cash Payments	Liability as of March 31, 2010
Personnel-Related(*)	$ 3	$ 2	$ 1
Facility-Related	18	1	17
Contract Terminations	1	1	—
	$ 22	$ 4	$ 18

(*) As of March 31, 2010, the Company had terminated all of the employees related to such costs.

16. Separation Adjustments and Transactions with Former Parent and Subsidiaries

Transfer of Cendant Corporate Liabilities and Issuance of Guarantees to Cendant and Affiliates

Pursuant to the Separation and Distribution Agreement, upon the distribution of the Company's common stock to Cendant shareholders, the Company entered into certain guarantee commitments with Cendant (pursuant to the assumption of certain liabilities and the obligation to indemnify Cendant and Cendant's former real estate services ("Realogy") and travel distribution services ("Travelport") for such liabilities) and guarantee commitments related to deferred compensation arrangements with each of Cendant and Realogy. These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and Cendant contingent and other corporate liabilities, of which the Company assumed and is responsible for 37.5% while Realogy is responsible for the remaining 62.5%. The amount of liabilities which were assumed by the Company in connection with the Separation was $311 million and $310 million as of March 31, 2010 and December 31, 2009, respectively. These amounts were comprised of certain Cendant corporate liabilities which were recorded on the books of Cendant as well as additional liabilities which were established for guarantees issued at the date of Separation related to certain unresolved contingent matters and certain others that could arise during the guarantee period. Regarding the guarantees, if any of the companies responsible for all or a portion of such liabilities were to default in its payment of costs or expenses related to any such liability, the Company would be responsible for a portion of the defaulting party or parties' obligation. The Company also provided a default guarantee related to certain deferred compensation arrangements related to certain current and former senior officers and directors of Cendant, Realogy and Travelport. These arrangements, which are discussed in more detail below, have been valued upon the Separation in accordance with the guidance for guarantees and recorded as liabilities on the Consolidated Balance Sheets. To the extent such recorded liabilities are not adequate to cover the ultimate payment amounts, such excess will be reflected as an expense to the results of operations in future periods.

As a result of the sale of Realogy on April 10, 2007, Realogy's senior debt credit rating was downgraded to below investment grade. Under the Separation Agreement, if Realogy experienced such a change of control and suffered such a ratings downgrade, it was required to post a letter of credit in an amount acceptable to the Company and Avis Budget Group to satisfy the fair value of Realogy's indemnification obligations for the Cendant legacy contingent liabilities in the event Realogy does not otherwise satisfy such obligations to the extent they become due. On

April 26, 2007, Realogy posted a $500 million irrevocable standby letter of credit from a major commercial bank in favor of Avis Budget Group and upon which demand may be made if Realogy does not otherwise satisfy its obligations for its share of the Cendant legacy contingent liabilities. The letter of credit can be adjusted from time to time based upon the outstanding contingent liabilities and has an expiration date of September 2013, subject to renewal and certain provisions. As such, on August 11, 2009, the letter of credit was reduced to $446 million. The issuance of this letter of credit does not relieve or limit Realogy's obligations for these liabilities.

As of March 31, 2010, the $311 million of Separation related liabilities is comprised of $5 million for litigation matters, $274 million for tax liabilities, $22 million for liabilities of previously sold businesses of Cendant, $8 million for other contingent and corporate liabilities and $2 million of liabilities where the calculated guarantee amount exceeded the contingent liability assumed at the date of Separation. In connection with these liabilities, $246 million is recorded in current due to former Parent and subsidiaries and $63 million is recorded in long-term due to former Parent and subsidiaries as of March 31, 2010 on the Consolidated Balance Sheet. The Company is indemnifying Cendant for these contingent liabilities and therefore any payments made to the third party would be through the former Parent. The $2 million relating to guarantees is recorded in other current liabilities as of March 31, 2010 on the Consolidated Balance Sheet. The actual timing of payments relating to these liabilities is dependent on a variety of factors beyond the Company's control. See Management's Discussion and Analysis—Contractual Obligations for the estimated timing of such payments. In addition, as of March 31, 2010, the Company had $5 million of receivables due from former Parent and subsidiaries primarily relating to income taxes, which is recorded in other current assets on the Consolidated Balance Sheet. Such receivables totaled $5 million as of December 31, 2009.

Following is a discussion of the liabilities on which the Company issued guarantees.

- **Contingent litigation liabilities** The Company assumed 37.5% of liabilities for certain litigation relating to, arising out of or resulting from certain lawsuits in which Cendant is named as the defendant. The indemnification obligation will continue until the underlying lawsuits are resolved. The Company will indemnify Cendant to the extent that Cendant is required to make payments related to any of the underlying lawsuits. As the indemnification obligation relates to matters in various stages of litigation, the maximum exposure cannot be quantified. Due to the inherently uncertain nature of the litigation process, the timing of payments related to these liabilities cannot reasonably be predicted, but is expected to occur over several years. Since the Separation, Cendant settled a majority of these lawsuits and the Company assumed a portion of the related indemnification obligations. For each settlement, the Company paid 37.5% of the aggregate settlement amount to Cendant. The Company's payment obligations under the settlements were greater or less than the Company's accruals, depending on the matter. On September 7, 2007, Cendant received an adverse ruling in a litigation matter for which the Company retained a 37.5% indemnification obligation. The judgment on the adverse ruling was entered on May 16, 2008. On May 23, 2008, Cendant filed an appeal of the judgment and, on July 1, 2009, an order was entered denying the appeal. As a result of the denial of the appeal, Realogy and the Company determined to pay the judgment. On July 23, 2009, the Company paid its portion of the aforementioned judgment ($37 million). Although the judgment for the underlying liability for this matter has been paid, the phase of the litigation involving the determination of fees owed the plaintiffs' attorneys remains pending. Similar to the contingent liability, the Company is responsible for 37.5% of any attorneys' fees payable. As a result of settlements and payments to Cendant, as well as other reductions and accruals for developments in active litigation matters, the Company's aggregate accrual for outstanding Cendant contingent litigation liabilities was $5 million as of March 31, 2010.

- **Contingent tax liabilities** Prior to the Separation, the Company was included in the consolidated federal and state income tax returns of Cendant through the Separation date for the 2006 period then ended. The Company is generally liable for 37.5% of certain contingent tax liabilities. In addition, each of the Company, Cendant and Realogy may be responsible for 100% of certain of Cendant's tax liabilities that will provide the responsible party with a future, offsetting tax benefit. The Company will pay to Cendant the amount of taxes allocated pursuant to the tax sharing agreement, as amended during the third quarter of 2008, for the payment of certain taxes. As a result of the amendment to the tax sharing agreement, the Company recorded a gross up of its contingent tax liability and has a corresponding deferred tax asset of $35 million as of March 31, 2010.

  During the first quarter of 2007, the IRS opened an examination for Cendant's taxable years 2003 through 2006 during which the Company was included in Cendant's tax returns. As of March 31, 2010, the Company's accrual for outstanding Cendant contingent tax liabilities was $274 million. This liability will remain outstanding until tax audits related to taxable years 2003 through 2006 are completed or the statutes of limitations governing such tax years have passed. Balances due to Cendant for these pre-Separation tax returns and related tax attributes were estimated as of December 31, 2006 and have since been adjusted in connection with the filing of the pre-Separation tax returns. These balances will again be adjusted after the ultimate

settlement of the related tax audits of these periods. The Company believes that the accruals for tax liabilities are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter; however, the outcome of the tax audits is inherently uncertain. Such tax audits and any related litigation, including disputes or litigation on the allocation of tax liabilities between parties under the tax sharing agreement, could result in outcomes for the Company that are different from those reflected in the Company's historical financial statements.

The IRS examination is progressing and the Company currently expects that the IRS examination may be completed during the second or third quarter of 2010. As part of the anticipated completion of the ongoing IRS examination, the Company is working with the IRS through other former Cendant companies to resolve outstanding audit and tax sharing issues. At present, the Company believes that the recorded liabilities are adequate to address claims, though there can be no assurance of such an outcome with the IRS or the former Cendant companies until the conclusion of the process. A failure to so resolve this examination and related tax sharing issues could have a material adverse effect on the Company's financial condition, results of operations or cash flows.

- **Cendant contingent and other corporate liabilities** The Company has assumed 37.5% of corporate liabilities of Cendant including liabilities relating to (i) Cendant's terminated or divested businesses; (ii) liabilities relating to the Travelport sale, if any; and (iii) generally any actions with respect to the Separation plan or the distributions brought by any third party. The Company's maximum exposure to loss cannot be quantified as this guarantee relates primarily to future claims that may be made against Cendant. The Company assessed the probability and amount of potential liability related to this guarantee based on the extent and nature of historical experience.
- **Guarantee related to deferred compensation arrangements** In the event that Cendant, Realogy and/or Travelport are not able to meet certain deferred compensation obligations under specified plans for certain current and former officers and directors because of bankruptcy or insolvency, the Company has guaranteed such obligations (to the extent relating to amounts deferred in respect of 2005 and earlier). This guarantee will remain outstanding until such deferred compensation balances are distributed to the respective officers and directors. The maximum exposure cannot be quantified as the guarantee, in part, is related to the value of deferred investments as of the date of the requested distribution.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD-LOOKING STATEMENTS

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

BUSINESS AND OVERVIEW

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

- **Lodging**—franchises hotels in the upscale, midscale, economy and extended stay segments of the lodging industry and provides hotel management services for full-service hotels globally.
- **Vacation Exchange and Rentals**—provides vacation exchange products and services to owners of intervals of vacation ownership interests ("VOIs") and markets vacation rental properties primarily on behalf of independent owners.
- **Vacation Ownership**—develops, markets and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts.

RESULTS OF OPERATIONS

Discussed below are our key operating statistics, consolidated results of operations and the results of operations for each of our reportable segments. The reportable segments presented below represent our operating segments for which separate financial information is available and which is utilized on a regular basis by our chief operating decision maker to assess performance and to allocate resources. In identifying our reportable segments, we also consider the nature of services provided by our operating segments. Management evaluates the operating results of each of our reportable segments based upon net revenues and EBITDA. Our presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

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OPERATING STATISTICS

The following table presents our operating statistics for the three months ended March 31, 2010 and 2009. During the first quarter of 2010, our vacation exchange and rentals business revised its operating statistics in order to improve transparency and comparability for our investors. The exchange revenue per member statistic has been expanded to capture member-related rentals and other servicing fees, which were previously included within our vacation rental statistics and other ancillary revenues. Vacation rental transactions and average net price per vacation rental statistics now include only European rental transactions. Prior period operating statistics have been updated to be comparable to the current presentation. See Results of Operations section for a discussion as to how these operating statistics affected our business for the periods presented.

	Three Months Ended March 31,		
	2010	2009	% Change
Lodging			
Number of rooms (a)	593,300	588,500	1
RevPAR (b)	$ 25.81	$ 27.69	(7)
Vacation Exchange and Rentals			
Average number of members (000s) (c)	3,746	3,789	(1)
Exchange revenue per member (d)	$ 201.93	$ 194.83	4
Vacation rental transactions (in 000s) (e)(f)	291	273	7
Average net price per vacation rental (f)(g)	$ 361.17	$ 353.15	2
Vacation Ownership			
Gross VOI sales (in 000s) (h)(i)	$ 308,000	$ 280,000	10
Tours (j)	123,000	137,000	(10)
Volume Per Guest ("VPG") (k)	$ 2,334	$ 1,866	25

(a) Represents the number of rooms at lodging properties at the end of the period which are either (i) under franchise and/or management agreements, (ii) properties affiliated with the Wyndham Hotels and Resorts brand for which we receive a fee for reservation and/or other services provided and (iii) properties managed under a joint venture. The amounts in 2010 and 2009 include 404 and 4,175 affiliated rooms, respectively.

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

(c) Represents members in our vacation exchange programs who pay annual membership dues. For additional fees, such participants are entitled to exchange intervals for intervals at other properties affiliated with our vacation exchange business. In addition, certain participants may exchange intervals for other leisure-related products and services.

(d) Represents total revenue generated from fees associated with memberships, exchange transactions, member-related rentals and other servicing for the period divided by the average number of vacation exchange members during the period. Excluding the impact of foreign exchange movements, exchange revenue per member increased 1%.

(e) Represents the number of transactions that are generated in connection with customers booking their vacation rental stays through us. One rental transaction is recorded each time a standard one-week rental is booked.

(f) Includes the impact from the acquisition of Hoseasons Holdings Ltd. ("Hoseasons"), which was acquired on March 1, 2010; therefore, such operating statistics for 2010 are not presented on a comparable basis to the 2009 operating statistics.

(g) Represents the net rental price generated from renting vacation properties to customers divided by the number of vacation rental transactions. Excluding the impact of foreign exchange movements, the average net price per vacation rental decreased 4%.

(h) Represents total sales of VOIs, including sales under the Wyndham Asset Affiliation Model ("WAAM"), before the net effect of percentage-of-completion accounting and loan loss provisions. We believe that Gross VOI sales provides 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.

(i) The following table provides a reconciliation of Gross VOI sales to Vacation ownership interest sales for the three months ended March 31 (in millions):

	2010	2009
Gross VOI sales	$ 308	$ 280
Less: WAAM sales (a)	(5)	—
Gross VOI sales, net of WAAM sales	303	280
Plus: Net effect of percentage-of-completion accounting	—	67
Less: Loan loss provision	(86)	(107)
Vacation ownership interest sales	$ 217	$ 239(*)

(*) Amount does not foot due to rounding.

(a) Represents total sales of VOIs through our fee-for-service vacation ownership sales model designed to offer turn-key solutions for developers or banks in possession of newly developed inventory, which we will sell for a commission fee through our extensive sales and marketing channels.

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

(k) VPG is calculated by dividing Gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) by the number of tours. Tele-sales upgrades were $15 million and $24 million during the three months ended March 31, 2010 and 2009, respectively. We have excluded non-tour upgrade sales in the calculation of VPG because non-tour upgrade sales are generated by a different marketing channel. We believe that VPG provides an enhanced understanding of the performance of our vacation ownership business because it directly measures the efficiency of this business' tour selling efforts during a given reporting period.

THREE MONTHS ENDED MARCH 31, 2010 VS. THREE MONTHS ENDED MARCH 31, 2009

Our consolidated results are as follows:

	Three Months Ended March 31,		
	2010	2009	Change
Net revenues	$ 886	$ 901	$ (15)
Expenses	756	812	(56)
Operating income	130	89	41
Other income, net	(1)	(2)	1
Interest expense	50	19	31
Interest income	(1)	(2)	1
Income before income taxes	82	74	8
Provision for income taxes	32	29	3
Net income	$ 50	$ 45	$ 5

During the first quarter of 2010, our net revenues decreased $15 million (2%) principally due to:

- a decrease of $67 million as a result of the absence of the recognition of revenues previously deferred under the percentage-of-completion (“POC”) method of accounting due to operational changes that we made at our vacation ownership business to eliminate the impact of deferred revenues;
- a $10 million decrease in net revenues in our lodging business primarily due to RevPAR weakness; and
- a $4 million decrease in ancillary revenues at our vacation ownership business primarily associated with a decline in fees generated from other non-core businesses, partially offset by the usage of bonus points/credits, which are provided as purchase incentives on VOI sales.

Such decreases were partially offset by:

- a $23 million increase in gross sales of VOIs reflecting an increase in VPG, partially offset by the planned reduction in tour flow;
- a $21 million decrease in our provision for loan losses primarily due to (i) improved portfolio performance and mix, partially offset by higher gross VOI sales, and (ii) the impact from the absence of the recognition of revenue previously deferred under the POC method of accounting during the first quarter of 2009;
- a $9 million increase in net revenues from rental transactions and related services at our vacation exchange and rentals business due to a favorable impact of foreign exchange movements of $7 million and incremental revenues contributed from the March 2010 acquisition of Hoseasons;
- $9 million of incremental property management fees within our vacation ownership business primarily as a result of growth in the number of units under management; and
- a $4 million increase in exchange and related service revenues primarily due to a $5 million favorable impact of foreign exchange movements.

Total expenses decreased $56 million (7%) principally reflecting:

- the absence of $43 million of costs due to organizational realignment initiatives across our businesses (see Restructuring Plan for more details);
- a decrease of $26 million of expenses related to the absence of the recognition of revenues previously deferred at our vacation ownership business, as discussed above;
- $15 million of lower marketing and related expenses at our vacation ownership business resulting from the change in tour mix and our lodging business resulting from lower spend across our brands primarily as a result of a decline in related marketing fees received;
- an $8 million decrease in consumer financing interest expenses primarily related to lower average borrowings on our securitized debt facilities and a decrease in interest rates; and

- the absence of a non-cash charge of $5 million recorded during the first quarter of 2009 to impair the value of certain vacation ownership properties and related assets held for sale that were no longer consistent with our development plans.

These decreases were partially offset by:

- $14 million of increased litigation settlement reserves primarily at our vacation ownership business;
- the unfavorable impact of foreign currency translation on expenses of $11 million at our vacation exchange and rentals business;
- $7 million of incremental property management expenses at our vacation ownership business primarily associated with the growth in the number of units under management;
- $6 million of increased employee-related expenses at our vacation ownership business primarily related to higher sales commission costs; and
- $4 million of costs incurred at our vacation exchange and rentals business in connection with our acquisition of Hoseasons.

Other income, net decreased $1 million during the first quarter of 2010 compared to the same period during 2009 primarily as a result of a decline in net earnings from equity investments. Interest expense increased $31 million during the first quarter of 2010 compared with the same period during 2009 primarily as a result of (i) $16 million of early extinguishment costs primarily related to our effective termination of an interest rate swap agreement in connection with the early extinguishment of our term loan facility, which resulted in the reclassification of a $14 million unrealized loss from accumulated other comprehensive income to interest expense on our Consolidated Statement of Income and (ii) higher interest paid on our long-term debt facilities, primarily related to our May 2009 and February 2010 debt issuances. Interest income decreased $1 million during the first quarter of 2010 compared with the same period during 2009 due to decreased interest earned on invested cash balances as a result of a decrease in cash available for investment. Our effective tax rate remained unchanged at 39% during the first quarter of 2010 as compared to the first quarter of 2009. Our 2010 rate includes non-deductible costs related to the acquisition of Hoseasons; excluding such costs, our effective tax rate would have been 38%.

As a result of these items, our net income increased $5 million (11%) as compared to the first quarter of 2009.

During 2010, we expect:

- net revenues of approximately $3.6 billion to $3.9 billion;
- depreciation and amortization of approximately $180 million to $185 million; and
- interest expense, net (excluding early extinguishment of debt costs) of approximately $135 million to $145 million.

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Following is a discussion of the results of each of our segments, other income, net and interest expense/income:

	Net Revenues			EBITDA		
	2010	2009	% Change	2010	2009	% Change
Lodging	$ 144	$ 154	(6)	$ 33	$ 35	(6)
Vacation Exchange and Rentals	300	287	5	80	76	5
Vacation Ownership	444	462	(4)	82	44	86
Total Reportable Segments	888	903	(2)	195	155	26
Corporate and Other (a)	(2)	(2)	*	(20)	(21)	*
Total Company	$ 886	$ 901	(2)	175	134	31
Less: Depreciation and amortization				44	43	
Interest expense				50	19	
Interest income				(1)	(2)	
Income before income taxes				$ 82	$ 74	

(*) Not meaningful.

(a) Includes the elimination of transactions between segments.

Lodging

Net revenues and EBITDA decreased $10 million (6%) and $2 million (6%), respectively, during the first quarter of 2010 compared to the first quarter of 2009 primarily reflecting a decline in RevPAR, partially offset by lower marketing expenses.

The decline in net revenues reflects (i) a $9 million decrease in domestic royalty, marketing and reservation revenues primarily due to a domestic RevPAR decline of 10% principally driven by occupancy and rate declines and (ii) $1 million of lower reimbursable revenues earned by our hotel management business. Such decreases were partially offset by $2 million of increased international royalty, marketing and reservation revenues. Such increase resulted from a 6% increase in international rooms, partially offset by a RevPAR decrease of 1%, or 11% excluding the favorable impact of foreign exchange movements.

The $1 million of lower reimbursable revenues earned by our property management business primarily relates to payroll costs that we pay on behalf of hotel owners, for which we are entitled to be fully reimbursed by the hotel owner. As the reimbursements are made based upon cost with no added margin, the recorded revenues are offset by the associated expense and there is no resultant impact on EBITDA. Such amount decreased as a result of a reduction in costs at our managed properties primarily due to a reduction in the number of hotels under management.

In addition, EBITDA was positively impacted by (i) a decrease of $8 million in marketing and related expenses primarily due to lower spend across our brands as a result of a decline in related marketing fees received as well as the timing of certain spend and (ii) the absence of $3 million of costs recorded during the first quarter of 2009 relating to organizational realignment initiatives (see Restructuring Plan for more details). Such decreases were offset by (i) $2 million of increased litigation settlement reserves and (ii) $1 million of consulting costs incurred during the first quarter of 2010 relating to our strategic initiative to grow reservation contribution.

As of March 31, 2010, we had approximately 7,090 properties and 593,300 rooms in our system. Additionally, our hotel development pipeline included approximately 910 hotels and approximately 106,500 rooms, of which 45% were international and 53% were new construction as of March 31, 2010.

We expect net revenues of approximately $620 million to $670 million during 2010. In addition, as compared to 2009, we expect our operating statistics during 2010 to perform as follows:

- RevPAR to be flat to down 3%; and
- number of rooms to increase 1-3%.

Vacation Exchange and Rentals

Net revenues and EBITDA increased $13 million (5%) and $4 million (5%), respectively, during the first quarter of 2010 compared with the first quarter of 2009. A weaker U.S. dollar compared to other foreign currencies favorably impacted net revenues and EBITDA by $12 million and $1 million, respectively. The increase in net revenues reflects a $9 million

increase in net revenues from rental transactions and related services, which includes $3 million generated from the acquisition of Hoseasons, and a $4 million increase in exchange and related service revenues. EBITDA further reflects $4 million of costs incurred in connection with our acquisition of Hoseasons, offset by the absence of $4 million of costs recorded during the first quarter of 2009 relating to organizational realignment initiatives.

Net revenues generated from rental transactions and related services increased $9 million (9%) during the first quarter of 2010 compared to the same period during 2009. The acquisition of Hoseasons during March 2010 contributed incremental revenues of $3 million. Excluding the impact from the Hoseasons acquisition and the favorable impact of foreign exchange movements, net revenues generated from rental transactions and related services decreased $1 million (1%) during the first quarter of 2010 driven by a 1% decline in rental transaction volume, partially offset by a 1% increase in average net price per vacation rental. The decline in rental transaction volume was driven by lower volume at our Landal GreenParks business as we believe that poor weather conditions negatively impacted vacation stays during the first quarter of 2010, partially offset by increased volume at our Novasol business due to promotional pricing. The increase in average net price per vacation rental was primarily a result of a favorable impact of higher commissions on new properties added to our network during the first quarter of 2010 by our U.K. cottage business.

Exchange and related service revenues, which primarily consist of fees generated from memberships, exchange transactions, member-related rentals and other member servicing, increased $4 million (2%) during the first quarter of 2010 compared to the same period during 2009. Excluding the favorable impact of foreign exchange movements, exchange and related service revenues decreased $1 million driven by a 1% decrease in the average number of members primarily due to lower new enrollments from affiliated resort developers during the first quarter of 2010. Revenue generated per member increased 1% as the impact of higher exchange and member-related rental transaction pricing was partially offset by a decline in member exchange and rental transactions, subscription fees and travel service fees. We believe that the decline in exchange and rental transactions and subscription fees reflect continued economic uncertainty and member retention programs offered at multiyear discounts. Lower travel revenues resulted primarily from the outsourcing of our European travel services to a third-party provider during the first quarter of 2010.

EBITDA further reflects an increase in expenses of $9 million (4%) primarily driven by (i) the unfavorable impact of foreign currency translation on expenses of $11 million and (ii) $4 million of costs incurred in connection with our acquisition of Hoseasons. Such increases were partially offset by the absence of $4 million of costs recorded during the first quarter of 2009 relating to organizational realignment initiatives (see Restructuring Plan for more details).

We expect net revenues of approximately $1.1 billion to $1.2 billion during 2010. In addition, as compared to 2009, we expect our operating statistics during 2010 to perform as follows:

- vacation rental transactions to increase 20—23% and average net price per vacation rental to decrease 12—15% primarily reflecting increased volumes at lower rental yields from our Hoseasons acquisition; and
- average number of members as well as exchange revenue per member to be flat.

Vacation Ownership

Net revenues decreased $18 million (4%) while EBITDA increased $38 million (86%) during the first quarter of 2010 compared with the first quarter of 2009.

The decrease in net revenues during the first quarter of 2010 primarily reflects the absence of the recognition of previously deferred revenues during the first quarter of 2009, partially offset by an increase in gross VOI sales and higher revenues associated with property management. The increase in EBITDA during the first quarter of 2010 further reflects the absence of costs related to organizational realignment initiatives, lower consumer financing interest expense, decreased marketing expenses and the absence of a non-cash impairment charge, partially offset by higher litigation settlement reserves and employee-related costs.

Gross sales of VOIs, net of WAAM sales, at our vacation ownership business increased $23 million (8%) during the first quarter of 2010 compared to the same period in 2009, driven principally by an increase of 25% in VPG, partially offset by a 10% decrease in tour flow. VPG was positively impacted by (i) a favorable tour flow mix resulting from the closure of underperforming sales offices as part of the organizational realignment and (ii) a higher percentage of sales coming from upgrades to existing owners during the first quarter of 2010 as compared to the same period in 2009 as a result of changes in the mix of tours. Tour flow was negatively impacted by the closure of over 25 sales offices during 2009 primarily related to our organizational realignment initiatives. In addition, net revenue comparisons were negatively impacted by a $4 million decrease in ancillary revenues associated with a decline in fees generated from other non-core businesses, partially offset by the usage of bonus points/credits, which are provided as purchase incentives on VOI sales. Our provision for loan losses declined $21 million during the first quarter of 2010 as compared to the first quarter of 2009. Such decline includes (i) $12 million primarily related to improved portfolio performance and mix during the first quarter of 2010 as compared to

the same period in 2009, partially offset by higher gross VOI sales, and (ii) a $9 million impact on our provision for loan losses from the absence of the recognition of revenue previously deferred under the POC method of accounting during the first quarter of 2009.

In addition, net revenues and EBITDA comparisons were favorably impacted by $3 million and $1 million, respectively, during the first quarter of 2010 due to commissions earned on VOI sales of $5 million under our Wyndham Asset Affiliation Model ("WAAM"). During the first quarter of 2010, we began our initial implementation of WAAM, which is our fee-for-service vacation ownership sales model designed to capitalize upon the large quantities of newly developed, nearly completed or recently finished condominium or hotel inventory within the current real estate market without assuming the investment that accompanies new construction. We offer turn-key solutions for developers or banks in possession of newly developed inventory, which we will sell for a commission fee through our extensive sales and marketing channels. This model enables us to expand our resort portfolio with little or no capital deployment, while providing additional channels for new owner acquisition. In addition, WAAM may allow us to grow our fee-for-service consumer finance servicing operations and property management business. The commission revenue earned on these sales is included in service fees and membership revenues on the Consolidated Statement of Income.

Under the POC method of accounting, a portion of the total revenues associated with the sale of a vacation ownership interest is deferred if the construction of the vacation resort has not yet been fully completed. Such revenues are recognized in future periods as construction of the vacation resort progresses. There was no impact from the POC method of accounting during the first quarter of 2010 as compared to the recognition of $67 million of previously deferred revenues during the first quarter of 2009. Accordingly, net revenues and EBITDA comparisons were negatively impacted by $57 million (including the impact of the provision for loan losses) and $31 million, respectively, as a result of the absence of the recognition of revenues previously deferred under the POC method of accounting. We do not anticipate any impact during the remainder of 2010 on net revenues or EBITDA due to the POC method of accounting as all such previously deferred revenues were recognized during 2009. We made operational changes to eliminate additional deferred revenues during the remainder of 2010.

Our net revenues and EBITDA comparisons associated with property management were positively impacted by $9 million and $2 million, respectively, during the first quarter of 2010 primarily due to growth in the number of units under management, partially offset in EBITDA by increased costs associated with such growth in the number of units under management.

Net revenues were unfavorably impacted by $3 million and EBITDA was favorably impacted by $5 million during the first quarter of 2010 due to lower consumer financing revenues attributable to a decline in our contract receivable portfolio, more than offset in EBITDA by lower interest costs during the first quarter of 2010 as compared to the first quarter of 2009. We incurred interest expense of $24 million on our securitized debt at a weighted average interest rate of 6.6% during the first quarter of 2010 compared to $32 million at a weighted average interest rate of 7.5% during the first quarter of 2009. Our net interest income margin increased from 71% during the first quarter of 2009 to 77% during the first quarter of 2010 due to:

- $288 million of decreased average borrowings on our securitized debt facilities;
- an 87 basis point decrease in our weighted average interest rate; and
- higher weighted average interest rates earned on our contract receivable portfolio.

In addition, EBITDA was positively impacted by $31 million (11%) of decreased expenses, exclusive of incremental interest expense on our securitized debt and lower property management expenses, primarily resulting from:

- the absence of $35 million of costs recorded during the first quarter of 2009 relating to organizational realignment initiatives (see Restructuring Plan for more details);
- $7 million of decreased marketing expenses due to the change in tour mix; and
- the absence of a non-cash charge of $5 million recorded during the first quarter of 2009 to impair the value of certain vacation ownership properties and related assets held for sale that were no longer consistent with our development plans.

Such decreases were partially offset by (i) $12 million of increased litigation settlement reserves and (ii) $6 million of increased employee-related expenses primarily due to higher sales commission costs.

We expect net revenues of approximately $1.8 billion to $2.0 billion during 2010. In addition, as compared to 2009, we expect our operating statistics during 2010 to perform as follows:

- gross VOI sales to be flat;
- tours to decline 3-6%; and
- VPG to increase 6-9%.

Corporate and Other

Corporate and Other expenses decreased $1 million during the first quarter of 2010 compared to the same period during 2009. Such decrease includes (i) a $2 million favorable impact from the resolution of and adjustment to certain contingent liabilities and assets recorded during the first quarter of 2010 compared to the same period during 2009 and (ii) the absence of $1 million in costs relating to our 2009 organizational realignment initiatives (see Restructuring Plan for more details). Such decreases were partially offset by higher corporate expenses of $1 million.

Interest Expense/Interest Income

Interest expense increased $31 million during the three months ended March 31, 2010 compared with the same period during 2009 as a result of:

- our termination of an interest rate swap agreement related to the early extinguishment of our term loan facility, which resulted in the reclassification of a $14 million unrealized loss from accumulated other comprehensive income to interest expense on our Consolidated Statement of Income;
- a $13 million increase in interest incurred on our long-term debt facilities, primarily related to our May 2009 and February 2010 debt issuances;
- a $2 million decrease in capitalized interest at our vacation ownership business due to lower development of vacation ownership inventory; and
- an additional $2 million of costs, which are included within interest expense on our Consolidated Statement of Income, incurred in connection with the early extinguishment of our term loan and revolving foreign credit facilities.

Interest income decreased $1 million during the three months March 31, 2010 compared with the same period during 2009 due to decreased interest earned on invested cash balances as a result of lower rates earned on investments.

RESTRUCTURING PLAN

In response to a deteriorating global economy, during 2008, we committed to various strategic realignment initiatives targeted principally at reducing costs, enhancing organizational efficiency, reducing our need to access the asset-backed securities market and consolidating and rationalizing existing processes and facilities. As a result, we recorded $43 million in restructuring costs during the three months ended March 31, 2009. Such strategic realignment initiatives included:

Lodging

The operational realignment of our lodging business enhanced its global franchisee services, promoted more efficient channel management to further drive revenue at franchised locations and managed properties and positioned the Wyndham brand appropriately and consistently in the marketplace. As a result of these changes, we recorded costs of $3 million during the three months ended March 31, 2009 primarily related to the elimination of certain positions and the related severance benefits and outplacement services that were provided for impacted employees.

Vacation Exchange and Rentals

Our strategic realignment in our vacation exchange and rentals business streamlined exchange operations primarily across its international businesses by reducing management layers to improve regional accountability. As a result of these initiatives, we recorded restructuring costs of $4 million during three months ended March 31, 2009.

Vacation Ownership

Our vacation ownership business refocused its sales and marketing efforts by closing the least profitable sales offices and eliminating marketing programs that were producing prospects with lower credit quality. Consequently, we have decreased the level of timeshare development, reduced our need to access the asset-backed securities market and enhanced cash flow. Such realignment includes the elimination of certain positions, the termination of leases of certain sales offices, the termination of development projects and the write-off of assets related to the sales offices and cancelled development projects. These initiatives resulted in costs of $35 million during the three months ended March 31, 2009.

Corporate and Other

We identified opportunities at our corporate business to reduce costs by enhancing organizational efficiency and consolidating and rationalizing existing processes. As a result, we recorded $1 million in restructuring costs during the three months ended March 31, 2009.

Total Company

During the three months ended March 31, 2009, as a result of these strategic realignments, we recorded $43 million of incremental restructuring costs related to such realignments, including a reduction of approximately 320 employees. During the three months ended March 31, 2010, we reduced our liability with $4 million of cash payments. The remaining liability of $18 million as of March 31, 2010 is expected to be paid in cash; $17 million of facility-related by September 2017 and $1 million of personnel-related by December 2010. We began to realize the benefits of these strategic realignment initiatives during the fourth quarter of 2008 and realized net savings of approximately $40 million during the first quarter of 2010. We anticipate continued annual net savings from such initiatives of approximately $160 million.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

FINANCIAL CONDITION

	March 31, 2010	December 31, 2009	Change
Total assets	$ 9,585	$ 9,352	$ 233
Total liabilities	6,884	6,664	220
Total stockholders' equity	2,701	2,688	13

Total assets increased $233 million from December 31, 2009 to March 31, 2010 due to:

- a $144 million increase in trade receivables, net, primarily due to seasonality at our European vacation rental businesses and the acquisition of Hoseasons, partially offset by the impact of foreign currency translation at our vacation exchange and rentals business and a decline in ancillary revenues at our vacation ownership business;
- a $108 million increase in other non-current assets primarily due to a $77 million increase in our call option transaction entered into concurrent with the sale of the convertible notes, which is discussed in greater detail in Note 7—Long-Term Debt and Borrowing Arrangements, increased deferred financing costs as a result of the debt issuances during the first quarter of 2010 and increased securitized restricted cash resulting from the timing of cash we are required to set aside in connection with additional vacation ownership contract receivables securitizations;
- a $23 million increase in franchise agreements and other intangibles, net, primarily related to the acquisition of Hoseasons, partially offset by the amortization of franchise agreements at our lodging business;
- a $16 million net increase in goodwill related to the acquisition of Hoseasons, partially offset by the impact of foreign currency translation at our vacation exchange and rentals business;
- a $15 million increase in trademarks, net primarily as a result of the acquisition of Hoseasons; and
- an increase of $8 million in cash and cash equivalents, which is discussed in further detail in "Liquidity and Capital Resources—Cash Flows".

Such increases were partially offset by (i) a $50 million decrease in vacation ownership contract receivables, net as a result of a decline in VOI sales financed and (ii) a $24 million decrease in property and equipment primarily related to the depreciation of property and equipment and the impact of foreign currency translation at our vacation exchange and rentals business, partially offset by capital expenditures for the improvement of technology and maintenance of technological advantages.

Total liabilities increased $220 million primarily due to:

- a $142 million increase in accounts payable primarily due to seasonality at our European vacation rental businesses and the acquisition of Hoseasons, partially offset by the impact of foreign currency translation at our vacation exchange and rentals business;
- a net increase of $67 million in our other long-term debt primarily reflecting a $77 million increase in our derivative liability related to the bifurcated conversion feature entered into concurrent with the sale of our convertible notes, which is discussed in greater detail in Note 7—Long-Term Debt and Borrowing

Arrangements, partially offset by additional net principal payments on our other long-term debt with operating cash of $10 million;

- a $28 million increase in deferred income primarily resulting from cash received in advance on arrival-based bookings within our vacation exchange and rentals business, partially offset by the impact of the recognition of revenues related to our vacation ownership trial membership marketing program; and
- a $7 million increase in deferred income taxes primarily attributable to a change in the expected timing of the utilization of alternative minimum tax credits and movement in other comprehensive income.

Such increases were partially offset by (i) a $17 million decrease in accrued expenses and other current liabilities primarily due to lower accrued employee costs related to the payment of our annual incentive compensation during the first quarter of 2010, partially offset by higher accrued interest on our non-securitized long-term debt and increased litigation settlement reserves at our vacation ownership business and (ii) a $9 million net decrease in our securitized vacation ownership debt (see Note 7—Long-Term Debt and Borrowing Arrangements).

Total stockholders' equity increased $13 million primarily due to:

- $50 million of net income generated during the first quarter of 2010;
- a $12 million increase to our pool of excess tax benefits available to absorb tax deficiencies due to the vesting of equity awards;
- a $7 million impact resulting from the exercise of stock options during the first quarter of 2010; and
- a $7 million impact resulting from the reclassification of an $8 million after-tax unrealized loss associated with the termination of an interest rate swap agreement in connection with the early extinguishment of our term loan facility (see Note 7—Long-Term Debt and Borrowing Arrangements), partially offset by $1 million of unrealized losses on cash flow hedges.

Such increases were partially offset by:

- $22 million related to the payment of dividends;
- $18 million of treasury stock purchased through our stock repurchase program;
- $16 million of currency translation adjustments, net of tax benefit; and
- a change of $7 million in deferred equity compensation.

LIQUIDITY AND CAPITAL RESOURCES

Currently, our financing needs are supported by cash generated from operations and borrowings under our revolving credit facility. In addition, certain funding requirements of our vacation ownership business are met through the issuance of securitized debt to finance vacation ownership contract receivables. We believe that our net cash from operations, cash and cash equivalents, access to our revolving credit facility and continued access to the securitization and debt markets provide us with sufficient liquidity to meet our ongoing needs.

During March 2010, we replaced our five-year $900 million revolving credit facility with a $950 million revolving credit facility that expires on October 1, 2013. We have begun discussions with lenders to renew our 364-day, non-recourse, securitized vacation ownership bank conduit facility, which has a term through October 2010. We expect to renew such facility in the third or fourth quarter of 2010.

CASH FLOWS

During the first quarter of 2010 and 2009, we had a net change in cash and cash equivalents of $8 million and ($1) million, respectively. The following table summarizes such changes:

	Three Months Ended March 31,		
	2010	2009	Change
Cash provided by/(used in):			
Operating activities	$ 205	$ 210	$ (5)
Investing activities	(123)	(62)	(61)
Financing activities	(73)	(147)	74
Effects of changes in exchange rate on cash and cash equivalents	(1)	(2)	1
Net change in cash and cash equivalents	$ 8	$ (1)	$ 9

Operating Activities

During the three months ended March 31, 2010, net cash provided by operating activities decreased $5 million as compared to the three months ended March 31, 2009, which principally reflects:

- $23 million of higher trade receivables primarily due to an increase in advance bookings at our vacation exchange and rentals business;
- $21 million of a higher net cash outflow related to higher originations of vacation ownership contract receivables primarily related to an increase in VOI sales and lower collections of contract receivables during the first quarter of 2010 as compared to the same period during 2009;
- a $21 million decline in our provision for loan losses primarily related to improved portfolio performance and mix and the absence of the recognition of revenue previously deferred under the POC method of accounting; and
- $21 million of increased other current assets due to the absence of the recognition of VOI sales commissions during the first quarter of 2009 that had previously been deferred under the POC method of accounting.

Such increases in cash outflows were partially offset by an $80 million increase in deferred income due to the absence of the recognition of revenue previously deferred under the POC method of accounting during the first quarter of 2009.

Investing Activities

During the three months ended March 31, 2010, net cash used in investing activities increased $61 million as compared with the three months ended March 31, 2009, which principally reflects (i) higher acquisition-related payments of $59 million related to the March 2010 acquisition of Hoseasons and (ii) an increase of $16 million in cash outflows from securitized restricted cash primarily due to the timing of cash that we are required to set aside in connection with additional vacation ownership contract receivable securitizations. Such increases in cash outflows were partially offset by a decrease of $17 million in property and equipment additions primarily due to the absence of 2009 leasehold improvements related to the consolidation of two leased facilities into one.

Financing Activities

During the three months ended March 31, 2010, net cash used in financing activities decreased $74 million as compared with the three months ended March 31, 2009, which principally reflects:

- $67 million of lower net principal payments related to securitized vacation ownership debt;
- $53 million of lower net principal payments related to non-securitized borrowings;
- higher tax benefits of $13 million from the exercise and vesting of equity awards; and
- $7 million of higher proceeds received in connection with stock option exercises during the first quarter of 2010.

Such decreases in cash outflows were partially offset by:

- $18 million of incremental debt issuance cost primarily related to our new $950 million revolving credit facility;
- $17 million of higher withholding taxes related to restricted stock unit net share settlement;
- $16 million spent on our stock repurchase program; and
- $15 million of additional dividends paid to shareholders.

We utilized the proceeds from our February 2010 debt issuance to pay down our revolving foreign credit facility and to reduce the outstanding balance of our term loan facility. The remainder of the term loan facility balance was repaid with borrowings under our revolving credit facility. For further detailed information about such borrowings, see Note 7—Long-Term Debt and Borrowing Arrangements.

Capital Deployment

We intend to continue to invest in select capital improvements and technological improvements in our lodging, vacation ownership, vacation exchange and rentals and corporate businesses. In addition, we may seek to acquire additional franchise agreements, hotel/property management contracts and exclusive agreements for vacation rental properties on a strategic and selective basis, either directly or through investments in joint ventures. We are focusing on optimizing cash flow and

seeking to deploy capital for the highest possible returns. Ultimately, our business objective is to transform our cash and earnings profile, primarily by rebalancing the cash streams to achieve a greater proportion of EBITDA from our fee-for-service businesses.

We spent $39 million on capital expenditures, equity investments and development advances during the first quarter of 2010 including $36 million on the improvement of technology and maintenance of technological advantages and routine improvements and $3 million of equity investments and development advances. We anticipate spending approximately $175 million to $200 million on capital expenditures, equity investments and development advances during 2010. In addition, we spent $37 million relating to vacation ownership development projects during the first quarter of 2010. We believe that our vacation ownership business currently has adequate finished inventory on our balance sheet to support vacation ownership sales through 2012. We plan to spend approximately $100 million to $125 million annually in order to complete vacation ownership projects currently under development and believe such inventory will be adequate through 2015. We expect that the majority of the expenditures that will be required to pursue our capital spending programs, strategic investments and vacation ownership development projects will be financed with cash flow generated through operations. Additional expenditures are financed with general unsecured corporate borrowings, including through the use of available capacity under our $950 million revolving credit facility.

Share Repurchase Program

We expect to generate annual net cash provided by operating activities minus capital expenditures, equity investments and development advances of approximately $500 million to $600 million over the next several years, excluding cash payments related to our contingent tax liabilities that we assumed and are responsible for pursuant to our separation from Cendant. A portion of this cash flow is expected to be returned to our shareholders in the form of share repurchases. On August 20, 2007, our Board of Directors authorized a stock repurchase program that enables us to purchase up to $200 million of our common stock. We suspended such program during the third quarter of 2008. On February 10, 2010, we announced our plan to resume repurchases of our common stock under such program. During the first quarter of 2010, we repurchased 756,699 shares at an average price of $24.20 and repurchase capacity increased $7 million from proceeds received from stock option exercises. Such repurchase capacity will continue to be increased by proceeds received from future stock option exercises.

During the period April 1, 2010 through April 29, 2010, we repurchased an additional 557,000 shares at an average price of $26.61. We currently have $133 million remaining availability in our program. The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements and other factors. Repurchases may be conducted in the open market or in privately negotiated transactions.

Contingent Tax Liabilities

The rules governing taxation are complex and subject to varying interpretations. Therefore, our tax accruals reflect a series of complex judgments about future events and rely heavily on estimates and assumptions. While we believe that the estimates and assumptions supporting our tax accruals are reasonable, tax audits and any related litigation could result in tax liabilities for us that are materially different than those reflected in our historical income tax provisions and recorded assets and liabilities. The result of an audit or litigation could have a material adverse effect on our income tax provision, net income, and/or cash flows in the period or periods to which such audit or litigation relates.

The IRS has commenced an audit of Cendant's taxable years 2003 through 2006, during which we were included in Cendant's tax returns. Our recorded tax liabilities in respect of such taxable years represent our current best estimates of the probable outcome with respect to certain tax provisions taken by Cendant for which we would be responsible under the tax sharing agreement. We believe that the accruals for tax liabilities are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter; however, the outcome of the tax audits is inherently uncertain. There can be no assurance that the IRS will not propose adjustments to the returns for which we would be responsible under the tax sharing agreement or that any such proposed adjustments would not be material. Any determination by the IRS or a court that imposed tax liabilities on us under the tax sharing agreement in excess of our tax accruals could have a material adverse effect on our income tax provision, net income, and/or cash flows, which is the result of our obligations under the Separation and Distribution Agreement, as discussed in Note 16—Separation Adjustments and Transactions with Former Parent and Subsidiaries. The IRS examination is progressing and we currently expect that the IRS examination may be completed during the second or third quarter of 2010. As part of the anticipated completion of the ongoing IRS examination, we are working with the IRS through other former Cendant companies to resolve outstanding audit and tax sharing issues. At present, we believe the recorded liabilities are adequate to address claims, though there can be no assurance of such an outcome with the IRS or the former Cendant companies until the conclusion of the process. A failure to so resolve this examination and related tax sharing issues could have a material adverse effect on our financial condition, results of operations or cash flows. As of March 31, 2010, we had

$274 million of tax liabilities pursuant to the Separation and Distribution Agreement, which are recorded within due to former Parent and subsidiaries on the Consolidated Balance Sheet. We expect the payment on a majority of these liabilities to occur during the second or third quarter of 2010. We expect to make such payment from cash flow generated through operations and the use of available capacity under our $950 million revolving credit facility.

FINANCIAL OBLIGATIONS

Our indebtedness consisted of:

	March 31, 2010	December 31, 2009
Securitized vacation ownership debt: [a]		
Term notes	$ 1,258	$ 1,112
Bank conduit facility [b]	240	395
Total securitized vacation ownership debt	$ 1,498	$ 1,507
Long-term debt:		
6.00% senior unsecured notes (due December 2016) [c]	$ 798	$ 797
Term loan [d]	—	300
Revolving credit facility (due October 2013) [e]	199	—
9.875% senior unsecured notes (due May 2014) [f]	239	238
3.50% convertible notes (due May 2012) [g]	448	367
7.375% senior unsecured notes (due March 2020) [h]	247	—
Vacation ownership bank borrowings [i]	—	153
Vacation rentals capital leases [j]	123	133
Other	28	27
Total long-term debt	$ 2,082	$ 2,015

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

(b) Represents a 364-day, $600 million, non-recourse vacation ownership bank conduit facility, with a term through October 2010, whose capacity is subject to our ability to provide additional assets to collateralize the facility. As of March 31, 2010, the total available capacity of the facility was $360 million.

(c) The balance as of March 31, 2010 represents $800 million aggregate principal less $2 million of unamortized discount.

(d) The term loan facility was fully repaid during March 2010.

(e) The revolving credit facility has a total capacity of $950 million, which includes availability for letters of credit. As of March 31, 2010, we had $30 million of letters of credit outstanding and, as such, the total available capacity of the revolving credit facility was $721 million.

(f) Represents senior unsecured notes we issued during May 2009. Such balance represents $250 million aggregate principal less $11 million of unamortized discount.

(g) Represents cash convertible notes issued by us during May 2009, which includes debt principal, less unamortized discount, and a liability related to a bifurcated conversion feature. The following table details the components of the convertible notes:

	March 31, 2010	December 31, 2009
Debt principal	$ 230	$ 230
Unamortized discount	(35)	(39)
Debt less discount	195	191
Fair value of bifurcated conversion feature (*)	253	176
Cash convertible notes	$ 448	$ 367

(*) We also have an asset with a fair value approximate to the bifurcated conversion feature, which represents cash-settled call options that we purchased concurrent with the issuance of the convertible notes.

(h) Represents senior unsecured notes we issued during February 2010. Such balance represents $250 million aggregate principal less $3 million of unamortized discount.

(i) Represents a 364-day, AUD 213 million, secured, revolving foreign credit facility, which was paid down and terminated during March 2010.

(j) Represents capital lease obligations with corresponding assets classified within property and equipment on our Consolidated Balance Sheets.

2010 Debt Issuances

During the first quarter of 2010, we issued senior unsecured notes and closed a term securitization and new revolving credit facility. For further detailed information about such debt, see Note 7—Long-term Debt and Borrowing Arrangements.

Capacity

As of March 31, 2010, available capacity under our borrowing arrangements was as follows:

	Total Capacity	Outstanding Borrowings	Available Capacity
Securitized vacation ownership debt:			
Term notes	$ 1,258	$ 1,258	$ —
Bank conduit facility (a)	600	240	360
Total securitized vacation ownership debt (b)	$ 1,858	$ 1,498	$ 360
Long-term debt:			
6.00% senior unsecured notes (due December 2016)	$ 798	$ 798	$ —
Revolving credit facility (due October 2013) (c)	950	199	751
9.875% senior unsecured notes (due May 2014)	239	239	—
3.50% convertible notes (due May 2012)	448	448	—
7.375% senior unsecured notes (due March 2020)	247	247	—
Vacation rentals capital leases	123	123	—
Other	49	28	21
Total long-term debt	$ 2,854	$ 2,082	772
Less: Issuance of letters of credit (c)			30
			$ 742

(a) The capacity of this facility is subject to our ability to provide additional assets to collateralize additional securitized borrowings.

(b) These outstanding borrowings are collateralized by $2,712 million of underlying gross vacation ownership contract receivables and related assets.

(c) The capacity under our revolving credit facility includes availability for letters of credit. As of March 31, 2010, the available capacity of $751 million was further reduced by $30 million for the issuance of letters of credit.

Vacation Ownership Contract Receivables and Securitizations

We pool qualifying vacation ownership contract receivables and sell them to bankruptcy-remote entities. Vacation ownership contract receivables qualify for securitization based primarily on the credit strength of the VOI purchaser to whom financing has been extended. Vacation ownership contract receivables are securitized through bankruptcy-remote SPEs that are consolidated within our Consolidated Financial Statements. As a result, we do not recognize gains or losses resulting from these securitizations at the time of sale to the SPEs. Income is recognized when earned over the contractual life of the vacation ownership contract receivables. We service the securitized vacation ownership contract receivables pursuant to servicing agreements negotiated on an arms-length basis based on market conditions. The activities of these SPEs are limited to (i) purchasing vacation ownership contract receivables from our 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 assets of these bankruptcy-remote SPEs are not available to pay our general obligations. Additionally, the creditors of these SPEs have no recourse to us for principal and interest.

The assets and liabilities of these vacation ownership SPEs are as follows:

	March 31, 2010	December 31, 2009
Securitized contract receivables, gross	$ 2,526	$ 2,591
Securitized restricted cash	159	133
Interest receivables on securitized contract receivables	19	20
Other assets (a)	8	11
Total SPE assets (b)	2,712	2,755
Securitized term notes	1,258	1,112
Securitized conduit facilities	240	395
Other liabilities (c)	28	26
Total SPE liabilities	1,526	1,533
SPE assets in excess of SPE liabilities	$ 1,186	$ 1,222

(a) Primarily includes interest rate derivative contracts and related assets.

(b) Excludes deferred financing costs of $19 million and $20 million as of March 31, 2010 and December 31, 2009, respectively, related to securitized debt.

(c) Primarily includes interest rate derivative contracts and accrued interest on securitized debt.

In addition, we have vacation ownership contract receivables that have not been securitized through bankruptcy-remote SPEs. Such gross receivables were $865 million and $860 million as of March 31, 2010 and December 31, 2009, respectively. A summary of such receivables and total vacation ownership SPE assets, in excess of SPE liabilities and net of the allowance for loan losses, is as follows:

	March 31, 2010	December 31, 2009
SPE assets in excess of SPE liabilities	$ 1,186	$ 1,222
Non-securitized contract receivables	865	598
Secured contract receivables (*)	—	262
Allowance for loan losses	(360)	(370)
Total, net	$ 1,691	$ 1,712

(*) As of December 31, 2009, such receivables collateralized our secured, revolving foreign credit facility, which was paid down and terminated during March 2010.

Covenants

The revolving credit facility is subject to covenants including the maintenance of specific financial ratios. The financial ratio covenants consist of a minimum consolidated interest coverage ratio of at least 3.0 to 1.0 as of the measurement date and a maximum consolidated leverage ratio not to exceed 3.75 to 1.0 on the measurement date. The consolidated 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 March 31, 2010, our interest coverage ratio was 7.2 times. Consolidated Interest Expense excludes, among other things, interest expense on any Securitization Indebtedness (as defined in the credit agreement). The consolidated leverage ratio is calculated by dividing Consolidated Total Indebtedness (as defined in the credit agreement and which excludes, among other things, Securitization Indebtedness) as of the measurement date by Consolidated EBITDA as measured on a trailing 12 month basis preceding the measurement date. As of March 31, 2010, our leverage ratio was 2.2 times. Covenants in these credit facilities also include limitations on indebtedness of material subsidiaries; liens; mergers, consolidations, liquidations and dissolutions; sale of all or substantially all assets; and sale and leaseback transactions. Events of default in these credit facilities include failure to pay interest, principal and fees when due; breach of covenants; acceleration of or failure to pay other debt in excess of $50 million (excluding securitization indebtedness); insolvency matters; and a change of control.

The 6.00% senior unsecured notes, 9.875% senior unsecured notes and 7.375% senior unsecured notes contain various covenants including limitations on liens, limitations on potential sale and leaseback transactions and change of control restrictions. In addition, there are limitations on mergers, consolidations and potential sale of all or substantially all of our assets. Events of default in the notes include failure to pay interest and principal when due, breach of a covenant or warranty, acceleration of other debt in excess of $50 million and insolvency matters. The convertible notes do not contain affirmative or negative covenants, however, the limitations on mergers, consolidations and potential sale of all or substantially all of our assets and the events of default for our senior unsecured notes are applicable to such notes. Holders of the convertible notes have the right to require us to repurchase the convertible notes at 100% of principal plus accrued and unpaid interest in the event of a fundamental change, defined to include, among other things, a change of control, certain recapitalizations and if our common stock is no longer listed on a national securities exchange.

As of March 31, 2010, we were in compliance with all of the covenants described above including the required financial ratios.

Each of our non-recourse, securitized term notes and the bank conduit facility contain various triggers relating to the performance of the applicable loan pools. If the vacation ownership contract receivables pool that collateralizes one of our securitization notes fails to perform within the parameters established by the contractual triggers (such as higher default or delinquency rates), there are provisions pursuant to which the cash flows for that pool will be maintained in the securitization as extra collateral for the note holders or applied to amortize the outstanding principal held by the noteholders. As of March 31, 2010, all of our securitized pools were in compliance with applicable triggers.

LIQUIDITY RISK

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

We believe that our bank conduit facility, with a term through October 2010 and capacity of $600 million, combined with our ability to issue term asset-backed securities, should provide sufficient liquidity for our expected sales pace and we expect to have available liquidity to finance the sale of VOIs. We also believe that we will be able to renew our bank conduit facility at or before the maturity date.

Our $950 million revolving credit agreement, which expires in October 2013, contains a provision that is a condition of an extension of credit. The provision, which was standard market practice for issuers of our rating and industry at the time of our revolver renewal, allows the lenders to withhold an extension of credit if the representations and warranties we made at the time we executed the revolving credit facility agreement are not true and correct in all material respects including if a development or event has or would reasonably be expected to have a material adverse effect on our business, assets, operations or condition, financial or otherwise. The application of the material adverse effect provision contains exclusions for the impact resulting from (i) disruptions in, or the inability of companies engaged in businesses similar to those engaged in by us and our subsidiaries to consummate financings in, the asset backed securities or conduit market or (ii) tax and related liabilities relating to Cendant's taxable years 2003 through 2006 arising under our tax sharing agreement with Cendant provided that, after giving effect to the payments of such liabilities, we would be in compliance with the financial ratio tests under the revolving credit facility.

Some of our vacation ownership 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 our business, we have assembled commitments from thirteen surety providers in the amount of $1.3 billion, of which we had $446 million outstanding as of March 31, 2010. The availability, terms and conditions, and pricing of such bonding capacity is dependent on, among other things, continued financial strength and stability of the insurance company affiliates providing such bonding capacity, the general availability of such capacity and our corporate credit rating. If such bonding capacity is unavailable or, alternatively, if the terms and conditions and pricing of such bonding capacity are unacceptable to us, the cost of development of our vacation ownership units could be negatively impacted.

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

As of March 31, 2010, we had $360 million of availability under our asset-backed bank conduit facility. To the extent that the recent increases in funding costs in the securitization and commercial paper markets persist, they will negatively impact the cost of such borrowings. Any disruption to the asset-backed or commercial paper markets could adversely impact our ability to obtain such financings.

Our senior unsecured debt is rated BBB- by Standard and Poor's ("S&P"). During February 2010, S&P assigned a "stable outlook" to our senior unsecured debt. During February 2010, Moody's Investors Service ("Moody's") upgraded our senior unsecured debt rating to Ba1 with a "stable outlook". 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.

As a result of the sale of Realogy on April 10, 2007, Realogy's senior debt credit rating was downgraded to below investment grade. Under the Separation Agreement, if Realogy experienced such a change of control and suffered such a ratings downgrade, it was required to post a letter of credit in an amount acceptable to us and Avis Budget Group to satisfy the fair value of Realogy's indemnification obligations for the Cendant legacy contingent liabilities in the event Realogy does not otherwise satisfy such obligations to the extent they become due. On April 26, 2007, Realogy posted a $500 million irrevocable standby letter of credit from a major commercial bank in favor of Avis Budget Group and upon which demand may be made if Realogy does not otherwise satisfy its obligations for its share of the Cendant legacy contingent liabilities. The letter of credit can be adjusted from time to time based upon the outstanding contingent liabilities and has an expiration date of September 2013, subject to renewal and certain provisions. As such, on August 11, 2009, the letter of credit was reduced to $446 million. The issuance of this letter of credit does not relieve or limit Realogy's obligations for these liabilities.

SEASONALITY

We experience seasonal fluctuations in our net revenues and net income from our franchise and management fees, commission income earned from renting vacation properties, annual subscription fees or annual membership dues, as applicable, and exchange and member-related transaction fees and sales of VOIs. Revenues from franchise and management fees are generally higher in the second and third quarters than in the first or fourth quarters, because of increased leisure travel during the summer months. Revenues from rental income earned from vacation rentals are generally highest in the third quarter, when vacation rentals are highest. Revenues from vacation exchange and member-related transaction fees are generally highest in the first quarter, which is generally when members of our vacation exchange business plan and book their vacations for the year. Historically, revenues from sales of VOIs were generally higher in the second and third quarters than in other quarters. We expect such trend to continue during 2010. However, during 2009, as the economy continued to stabilize, revenues from sales of VOIs were highest during the third and fourth quarters. The seasonality of our business may cause fluctuations in our quarterly operating results. As we expand into new markets and geographical locations, we may experience increased or different seasonality dynamics that create fluctuations in operating results different from the fluctuations we have experienced in the past.

SEPARATION ADJUSTMENTS AND TRANSACTIONS WITH FORMER PARENT AND SUBSIDIARIES

Transfer of Cendant Corporate Liabilities and Issuance of Guarantees to Cendant and Affiliates

Pursuant to the Separation and Distribution Agreement, upon the distribution of our common stock to Cendant shareholders, we entered into certain guarantee commitments with Cendant (pursuant to the assumption of certain liabilities and the obligation to indemnify Cendant, Realogy and Travelport for such liabilities) and guarantee commitments related to deferred compensation arrangements with each of Cendant and Realogy. These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and Cendant contingent and other corporate liabilities, of which we assumed and are responsible for 37.5%, while Realogy is responsible for the remaining 62.5%. The amount of liabilities which we assumed in connection with the Separation was $311 million and $310 million as of March 31, 2010 and December 31, 2009, respectively. These amounts were comprised of certain Cendant corporate liabilities which were recorded on the books of Cendant as well as additional liabilities which were established for guarantees issued at the date of Separation related to certain unresolved contingent matters and certain others that could arise during the guarantee period. Regarding the guarantees, if any of the companies responsible for all or a portion of such liabilities were to default in its payment of costs or expenses related to any such liability, we would be responsible for a portion of the defaulting party or parties' obligation. We also provided a default guarantee related to certain deferred compensation arrangements related to certain current and former senior officers and directors of Cendant, Realogy and Travelport. These arrangements, which are discussed in more detail below, have been valued upon the Separation in accordance with the guidance for guarantees and recorded as liabilities on the Consolidated Balance Sheets. To the extent such recorded liabilities are not adequate to cover the ultimate payment amounts, such excess will be reflected as an expense to the results of operations in future periods.

As of March 31, 2010, the $311 million of Separation related liabilities is comprised of $5 million for litigation matters, $274 million for tax liabilities, $22 million for liabilities of previously sold businesses of Cendant, $8 million for other contingent and corporate liabilities and $2 million of liabilities where the calculated guarantee amount exceeded the contingent liability assumed at the date of Separation. In connection with these liabilities, $246 million is recorded in current due to former Parent and subsidiaries and $63 million is recorded in long-term due to former Parent and subsidiaries as of March 31, 2010 on the Consolidated Balance Sheet. We are indemnifying Cendant for these contingent liabilities and therefore any payments made to the third party would be through the former Parent. The $2 million relating to guarantees is recorded in other current liabilities as of March 31, 2010 on the Consolidated Balance Sheet. The actual timing of payments relating to these liabilities is dependent on a variety of factors beyond our control. See Contractual Obligations for the estimated timing of such payments. In addition, as of March 31, 2010, we had $5 million of receivables due from former Parent and subsidiaries primarily relating to income taxes, which is recorded in other current assets on the Consolidated Balance Sheet. Such receivables totaled $5 million as of December 31, 2009.

Following is a discussion of the liabilities on which we issued guarantees:

- **Contingent litigation liabilities** We assumed 37.5% of liabilities for certain litigation relating to, arising out of or resulting from certain lawsuits in which Cendant is named as the defendant. The indemnification obligation will continue until the underlying lawsuits are resolved. We will indemnify Cendant to the extent that Cendant is required to make payments related to any of the underlying lawsuits. As the indemnification obligation relates to matters in various stages of litigation, the maximum exposure cannot be quantified. Due to the inherently uncertain nature of the litigation process, the timing of payments related to these liabilities cannot reasonably be predicted, but is expected to occur over several years. Since the Separation, Cendant

settled a majority of these lawsuits and we assumed a portion of the related indemnification obligations. For each settlement, we paid 37.5% of the aggregate settlement amount to Cendant. Our payment obligations under the settlements were greater or less than our accruals, depending on the matter. On September 7, 2007, Cendant received an adverse ruling in a litigation matter for which we retained a 37.5% indemnification obligation. The judgment on the adverse ruling was entered on May 16, 2008. On May 23, 2008, Cendant filed an appeal of the judgment and, on July 1, 2009, an order was entered denying the appeal. As a result of the denial of the appeal, Realogy and we determined to pay the judgment. On July 23, 2009, we paid our portion of the aforementioned judgment ($37 million). Although the judgment for the underlying liability for this matter has been paid, the phase of the litigation involving the determination of fees owed the plaintiffs' attorneys remains pending. Similar to the contingent liability, we are responsible for 37.5% of any attorneys' fees payable. As a result of settlements and payments to Cendant, as well as other reductions and accruals for developments in active litigation matters, our aggregate accrual for outstanding Cendant contingent litigation liabilities was $5 million as of March 31, 2010.

- **Contingent tax liabilities** Prior to the Separation, we were included in the consolidated federal and state income tax returns of Cendant through the Separation date for the 2006 period then ended. We are generally liable for 37.5% of certain contingent tax liabilities. In addition, each of us, Cendant and Realogy may be responsible for 100% of certain of Cendant's tax liabilities that will provide the responsible party with a future, offsetting tax benefit. We will pay to Cendant the amount of taxes allocated pursuant to the tax sharing agreement, as amended during the third quarter of 2008, for the payment of certain taxes. As a result of the amendment to the tax sharing agreement, we recorded a gross up of our contingent tax liability and have a corresponding deferred tax asset of $35 million as of March 31, 2010.

  During the first quarter of 2007, the IRS opened an examination for Cendant's taxable years 2003 through 2006 during which we were included in Cendant's tax returns. As of March 31, 2010, our accrual for outstanding Cendant contingent tax liabilities was $274 million. This liability will remain outstanding until tax audits related to taxable years 2003 through 2006 are completed or the statutes of limitations governing such tax years have passed. Balances due to Cendant for these pre-Separation tax returns and related tax attributes were estimated as of December 31, 2006 and have since been adjusted in connection with the filing of the pre-Separation tax returns. These balances will again be adjusted after the ultimate settlement of the related tax audits of these periods. We believe that the accruals for tax liabilities are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter; however, the outcome of the tax audits is inherently uncertain. Such tax audits and any related litigation, including disputes or litigation on the allocation of tax liabilities between parties under the tax sharing agreement, could result in outcomes for us that are different from those reflected in our historical financial statements.

  The IRS examination is progressing and we currently expect that the IRS examination may be completed during the second or third quarter of 2010. As part of the anticipated completion of the ongoing IRS examination, we are working with the IRS through other former Cendant companies to resolve outstanding audit and tax sharing issues. At present, we believe that the recorded liabilities are adequate to address claims, though there can be no assurance of such an outcome with the IRS or the former Cendant companies until the conclusion of the process. A failure to so resolve this examination and related tax sharing issues could have a material adverse effect on our financial condition, results of operations or cash flows.

- **Cendant contingent and other corporate liabilities** We have assumed 37.5% of corporate liabilities of Cendant including liabilities relating to (i) Cendant's terminated or divested businesses; (ii) liabilities relating to the Travelport sale, if any; and (iii) generally any actions with respect to the Separation plan or the distributions brought by any third party. Our maximum exposure to loss cannot be quantified as this guarantee relates primarily to future claims that may be made against Cendant. We assessed the probability and amount of potential liability related to this guarantee based on the extent and nature of historical experience.

- **Guarantee related to deferred compensation arrangements** In the event that Cendant, Realogy and/or Travelport are not able to meet certain deferred compensation obligations under specified plans for certain current and former officers and directors because of bankruptcy or insolvency, we have guaranteed such obligations (to the extent relating to amounts deferred in respect of 2005 and earlier). This guarantee will remain outstanding until such deferred compensation balances are distributed to the respective officers and directors. The maximum exposure cannot be quantified as the guarantee, in part, is related to the value of deferred investments as of the date of the requested distribution.

See Item 1A. Risk Factors for further information related to contingent liabilities.

CONTRACTUAL OBLIGATIONS

The following table summarizes our future contractual obligations for the twelve month periods set forth below:

	4/1/10-3/31/11	4/1/11-3/31/12	4/1/12-3/31/13	4/1/13-3/31/14	4/1/14-3/31/15	Thereafter	Total
Securitized debt [(a)]	$ 220	$ 356	$ 182	$ 197	$ 175	$ 368	$ 1,498
Long-term debt	23	12	472	209	250	1,116	2,082
Interest on securitized and long-term debt [(b)]	219	199	182	136	107	268	1,111
Operating leases	65	58	43	31	23	100	320
Other purchase commitments [(c)]	221	114	24	7	14	129	509
Contingent liabilities [(d)]	198	68	45	—	—	—	311
Total [(e)]	$ 946	$ 807	$ 948	$ 580	$ 569	$ 1,981	$ 5,831

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

(b) Estimated using the stated interest rates on our long-term debt and the swapped interest rates on our securitized debt.

(c) Primarily represents commitments for the development of vacation ownership properties. Total includes approximately $100 million of vacation ownership development commitments, which we may terminate at minimal to no cost.

(d) Primarily represents certain contingent litigation liabilities, contingent tax liabilities and 37.5% of Cendant contingent and other corporate liabilities, which we assumed and are responsible for pursuant to our separation from Cendant.

(e) Excludes $26 million of our liability for unrecognized tax benefits associated with the guidance for uncertainty in income taxes since it is not reasonably estimatable to determine the periods in which such liability would be settled with the respective tax authorities.

CRITICAL ACCOUNTING POLICIES

In presenting our financial statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material adverse impact to our 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. These Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements included in the Annual Report filed on Form 10-K with the Securities and Exchange Commission on February 19, 2010, which includes a description of our critical accounting policies that involve subjective and complex judgments that could potentially affect reported results. While there have been no material changes to our critical accounting policies as to the methodologies or assumptions we apply under them, we continue to monitor such methodologies and assumptions.

Item 3. Quantitative and Qualitative Disclosures About Market Risks.

We assess our market risk 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 rates. We used March 31, 2010 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 the impact of a 10% change in interest and foreign currency exchange rates and prices on our earnings, fair values and cash flows would not be material.

Item 4. Controls and Procedures.

(a) *Disclosure Controls and Procedures.* Our management, with the participation of our Chairman and Chief Executive Officer and Chief Financial Officer, 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 Chairman and Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

(b) *Internal Control Over Financial Reporting.* 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 period to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Wyndham Worldwide Litigation

We are involved in claims and legal actions arising in the ordinary course of our business including but not limited to: for our lodging business—breach of contract, fraud and bad faith claims between franchisors and franchisees in connection with franchise agreements and with owners in connection with management contracts, consumer protection and privacy claims, fraud and other statutory claims and negligence claims asserted in connection with alleged acts or occurrences at franchised or managed properties; for our vacation exchange and rentals business—breach of contract claims by both affiliates and members in connection with their respective agreements, bad faith, consumer protection, fraud and other statutory claims asserted by members and negligence claims by guests for alleged injuries sustained at resorts; for our vacation ownership business—breach of contract, bad faith, conflict of interest, fraud, consumer protection claims and other statutory claims by property owners' associations, owners and prospective owners in connection with the sale or use of vacation ownership interests, land or the management of vacation ownership resorts, construction defect claims relating to vacation ownership units or resorts and negligence claims by guests for alleged injuries sustained at vacation ownership units or resorts; and for each of our businesses, bankruptcy proceedings involving efforts to collect receivables from a debtor in bankruptcy, employment matters involving claims of discrimination, harassment and wage and hour claims, claims of infringement upon third parties' intellectual property rights, tax claims and environmental claims.

Cendant Litigation

Under the Separation Agreement, we agreed to be responsible for 37.5% of certain of Cendant's contingent and other corporate liabilities and associated costs, including certain contingent litigation. Since the Separation, Cendant settled the majority of the lawsuits pending on the date of the Separation. The pending Cendant contingent litigation that we deem to be material is further discussed in Note 16 to the Consolidated Financial Statements.

ITEM 1A. Risk Factors

Before you invest in our securities you should carefully consider each of the following risk factors and all of the other information provided in this report. We believe that the following information identifies the most significant risk factors affecting us. However, the risks and uncertainties we face are not limited to those set forth in the risk factors described below. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

If any of the following risks and uncertainties develops into actual events, these events could have a material adverse effect on our business, financial condition or results of operations. In such case, the trading price of our common stock could decline.

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

We will be adversely impacted if we cannot compete effectively in the highly competitive hospitality industry. Our continued success depends upon our ability to compete effectively in markets that contain numerous competitors, some of which may have significantly greater financial, marketing and other resources than we have. Competition may reduce fee structures, potentially causing us to lower our fees or prices, which may adversely impact our profits. New competition or existing competition that uses a business model that is different from our business model may put pressure on us to change our model so that we can remain competitive.

Our revenues are highly dependent on the travel industry and declines in or disruptions to the travel industry, such as those caused by economic slowdown, terrorism, acts of God and war may adversely affect us.

Declines in or disruptions to the travel industry may adversely impact us. Risks affecting the travel industry include: economic slowdown and recession; economic factors, such as increased costs of living and reduced discretionary income, adversely impacting consumers' and businesses' decisions to use and consume travel services and products; terrorist incidents and threats (and associated heightened travel security measures); acts of God (such as earthquakes, hurricanes, fires, floods, volcanoes and other natural disasters); war; pandemics or threat of pandemics (such as the H1N1 flu); increased pricing, financial instability and capacity constraints of air carriers; airline job actions and strikes; and increases in gasoline and other fuel prices.

We are subject to operating or other risks common to the hospitality industry.

Our business is subject to numerous operating or other risks common to the hospitality industry including:

- changes in operating costs, including inflation, energy, labor costs (including minimum wage increases and unionization), workers' compensation and health-care related costs and insurance;
- changes in desirability of geographic regions of the hotels or resorts in our business;
- changes in the supply and demand for hotel rooms, vacation exchange and rental services and vacation ownership products and services;
- seasonality in our businesses may cause fluctuations in our operating results;
- geographic concentrations of our operations and customers;
- increases in costs due to inflation that may not be fully offset by price and fee increases in our business;
- availability of acceptable financing and cost of capital as they apply to us, our customers, current and potential hotel franchisees and developers, owners of hotels with which we have hotel management contracts, our RCI affiliates and other developers of vacation ownership resorts;
- our ability to securitize the receivables that we originate in connection with sales of vacation ownership interests;
- the risk that purchasers of vacation ownership interests who finance a portion of the purchase price default on their loans due to adverse macro or personal economic conditions or otherwise, which would increase loan loss reserves and adversely affect loan portfolio performance, each of which would negatively impact our results of operations; that if such defaults occur during the early part of the loan amortization period we will not have recovered the marketing, selling, administrative and other costs associated with such vacation ownership interest; such costs will be incurred again in connection with the resale of the repossessed vacation ownership interest; and the value we recover in a default is not, in all instances, sufficient to cover the outstanding debt;
- the quality of the services provided by franchisees, our vacation exchange and rentals business, resorts with units that are exchanged through our vacation exchange business and/or resorts in which we sell vacation ownership interests may adversely affect our image and reputation;
- our ability to generate sufficient cash to buy from third-party suppliers the products that we need to provide to the participants in our points programs who want to redeem points for such products;
- overbuilding in one or more segments of the hospitality industry and/or in one or more geographic regions;
- changes in the number and occupancy and room rates of hotels operating under franchise and management agreements;
- changes in the relative mix of franchised hotels in the various lodging industry price categories;
- our ability to develop and maintain positive relations and contractual arrangements with current and potential franchisees, hotel owners, vacation exchange members, vacation ownership interest owners, resorts with units that are exchanged through our vacation exchange business and/or owners of vacation properties that our vacation rentals business markets for rental;
- the availability of and competition for desirable sites for the development of vacation ownership properties; difficulties associated with obtaining entitlements 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 our ability to adjust our pace of completion of resort development relative to the pace of our sales of the underlying vacation ownership interests;
- our ability to adjust our business model to generate greater cash flow and require less capital expenditures;
- private resale of vacation ownership interests could adversely affect our vacation ownership resorts and vacation exchange businesses;
- revenues from our lodging business are indirectly affected by our franchisees' pricing decisions;
- organized labor activities and associated litigation;
- maintenance and infringement of our intellectual property;

- the bankruptcy or insolvency of any one of our customers could impair our ability to collect outstanding fees or other amounts due or otherwise exercise our contractual rights;
- increases in the use of third-party Internet services to book online hotel reservations could adversely impact our revenues; and
- disruptions in relationships with third parties, including marketing alliances and affiliations with e-commerce channels.

We may not be able to achieve our growth objectives.

We may not be able to achieve our growth objectives for increasing our cash flows, the number of franchised and/or managed properties in our lodging business, the number of vacation exchange members acquired by our vacation exchange business, the number of rental weeks sold by our vacation rentals business and the number of quality tours generated and vacation ownership interests sold by our vacation ownership business.

We may be unable to identify acquisition targets that complement our businesses, and if we are able to identify suitable acquisition targets, we may not be able to complete acquisitions on commercially reasonable terms. Our ability to complete acquisitions depends on a variety of factors, including our ability to obtain financing on acceptable terms and requisite government approvals. If we are able to complete acquisitions, there is no assurance that we will be able to achieve the revenue and cost benefits that we expected in connection with such acquisitions or to successfully integrate the acquired businesses into our existing operations.

Our international operations are subject to 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 United States; hostility from local populations; restrictions and taxes on the withdrawal of foreign investment and earnings; government policies against businesses owned by foreigners; investment restrictions or requirements; diminished ability to legally enforce our contractual rights in foreign countries; foreign exchange restrictions; fluctuations in foreign currency exchange rates; local laws might conflict with U.S. laws; withholding and other taxes on remittances and other payments by subsidiaries; and changes in and application of foreign taxation structures including value added taxes.

We are subject to risks related to litigation filed by or against us.

We are subject to a number of legal actions and the risk of future litigation as described under “Legal Proceedings”. We cannot predict with certainty the ultimate outcome and related damages and costs of litigation and other proceedings filed by or against us. Adverse results in litigation and other proceedings may harm our business.

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

We are a borrower of funds under our credit facilities, credit lines, senior notes and securitization financings. We extend credit when we finance purchases of vacation ownership interests. 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 activities. In connection with our debt obligations, hedging transactions, the securitization of certain of our assets, our 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;
- if we are unable to comply with the terms of the financial covenants under our revolving credit facility, including a breach of the financial ratios or tests, such non-compliance 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;
- 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 or other operating needs;
- increases in interest rates;

- rating agency downgrades for our debt that could increase our borrowing costs;
- failure or non-performance of counterparties for foreign exchange and interest rate hedging transactions;
- we may not be able to securitize our vacation ownership contract receivables on terms acceptable to us because of, among other factors, the performance of the vacation ownership contract receivables, adverse conditions in the market for vacation ownership loan-backed notes and asset-backed notes in general, the credit quality and financial stability of insurers of securitizations transactions, and the risk that the actual amount of uncollectible accounts on our securitized vacation ownership contract receivables and other credit we extend is greater than expected;
- our securitizations contain portfolio performance triggers which, if violated, may result in a disruption or loss of cash flow from such transactions;
- a reduction in commitments from surety bond providers may impair our vacation ownership business by requiring us to escrow cash in order to meet regulatory requirements of certain states;
- prohibitive cost and inadequate availability of capital could restrict the development or acquisition of vacation ownership resorts by us and the financing of purchases of vacation ownership interests; and
- if interest rates increase significantly, we may not be able to increase the interest rate offered to finance purchases of vacation ownership interests by the same amount of the increase.

Economic conditions affecting the hospitality industry, the global economy and the credit markets generally may adversely affect our business and results of operations, our ability to obtain financing and/or securitize our receivables on reasonable and acceptable terms, the performance of our loan portfolio and the market price of our common stock.

The future economic environment for the hospitality industry and the global economy may continue to be less favorable than that of recent years. The hospitality industry has experienced and may continue to experience significant downturns in connection with, or in anticipation of, declines in general economic conditions. The current economic downturn has been characterized by higher unemployment, lower family income, lower corporate earnings, lower business investment and lower consumer spending, leading to lower demand for hospitality products and services. Declines in consumer and commercial spending may adversely affect our revenues and profits.

Our liquidity as it relates to our vacation ownership contract receivables securitization program could be adversely affected if we were to fail to renew or replace our securitization warehouse conduit facility on its renewal date or if a particular receivables pool were to fail to meet certain ratios, which could occur in certain instances if the default rates or other credit metrics of the underlying vacation ownership contract receivables deteriorate. Our ability to sell securities backed by our vacation ownership contract receivables depends on the continued ability and willingness of capital market participants to invest in such securities. It is possible that asset-backed securities issued pursuant to our securitization programs could in the future be downgraded by credit agencies. If a downgrade occurs, our ability to complete other securitization transactions on acceptable terms or at all could be jeopardized, and we could be forced to rely on other potentially more expensive and less attractive funding sources, to the extent available, which would decrease our profitability and may require us to adjust our business operations accordingly, including reducing or suspending our financing to purchasers of vacation ownership interests.

Uncertainty in the equity and credit markets may negatively affect our ability to access short-term and long-term financing on reasonable terms or at all, which would negatively impact our liquidity and financial condition. In addition, if one or more of the financial institutions that support our existing credit facilities fails, we may not be able to find a replacement, which would negatively impact our ability to borrow under the credit facilities. Disruptions in the financial markets may adversely affect our credit rating and the market value of our common stock. If we are unable to refinance, if necessary, our outstanding debt when due, our results of operations and financial condition will be materially and adversely affected. While we believe we have adequate sources of liquidity to meet our anticipated requirements for working capital, debt service and capital expenditures for the foreseeable future, if our cash flow or capital resources prove inadequate we could face liquidity problems that could materially and adversely affect our results of operations and financial condition.

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

Our businesses are heavily regulated by federal, state and local governments in the countries in which our operations are conducted. In addition, domestic and foreign federal, state and local regulators may enact new laws and regulations that may reduce our revenues, cause our expenses to increase and/or require us to modify substantially our business practices. If

we are not in substantial compliance with applicable laws and regulations, including, among others, franchising, timeshare, lending, privacy, marketing and sales, telemarketing, licensing, labor, employment, health care, health and safety, accessibility, immigration, gaming, environmental, including climate change, and regulations applicable under the Office of Foreign Asset Control and the Foreign Corrupt Practices Act (and local equivalents in international jurisdictions), we may be subject to regulatory actions, fines, penalties and potential criminal prosecution.

We are dependent on our senior management.

We believe that our future growth depends, in part, on the continued services of our senior management team. Losing the services of any members of our senior management team could adversely affect our strategic and customer relationships and impede our ability to execute our business strategies.

Our inability to adequately protect and maintain our intellectual property could adversely affect our business.

Our inability to adequately protect and maintain our trademarks, trade dress and other intellectual property rights could adversely affect our business. We generate, maintain, utilize and enforce a substantial portfolio of trademarks, trade dress and other intellectual property that are fundamental to the brands that we use in all of our businesses. There can be no assurance that the steps we take to protect our intellectual property will be adequate. Any event that materially damages the reputation of one or more of our brands could have an adverse impact on the value of that brand and subsequent revenues from that brand. The value of any brand is influenced by a number of factors, including consumer preference and perception and our failure to ensure compliance with brand standards.

Disruptions and other impairment of our information technologies and systems could adversely affect our business.

Any disaster, disruption or other impairment in our technology capabilities could harm our business. Our businesses depend upon the use of sophisticated information technologies and systems, including technology and systems utilized for reservation systems, vacation exchange systems, hotel/property management, communications, procurement, member record databases, call centers, operation of our loyalty programs and administrative systems. The operation, maintenance and updating of these technologies and systems is dependent upon internal and third-party technologies, systems and services for which there is no assurance of uninterrupted availability or adequate protection.

Failure to maintain the security of personally identifiable information could adversely affect us.

In connection with our business, we and our service providers collect and retain significant volumes of personally identifiable information, including credit card numbers of our customers and other personally identifiable information of our customers, stockholders and employees. Our customers, stockholders and employees expect that we will adequately protect their personal information, and the regulatory environment surrounding information security and privacy is increasingly demanding, both in the United States and other jurisdictions in which we operate. A significant theft, loss or fraudulent use of customer, stockholder, employee or Company data by cybercrime or otherwise could adversely impact our reputation and could result in significant costs, fines and litigation.

The market price of our shares may fluctuate.

The market price of our common stock may fluctuate depending upon many factors, some of which may be beyond our control, including: our quarterly or annual earnings or those of other companies in our industry; actual or anticipated fluctuations in our operating results due to seasonality and other factors related to our business; changes in accounting principles or rules; announcements by us or our competitors of significant acquisitions or dispositions; the failure of securities analysts to cover our common stock; changes in earnings estimates by securities analysts or our ability to meet those estimates; the operating and stock price performance of comparable companies; overall market fluctuations; and general economic conditions. Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock.

Your percentage ownership in Wyndham Worldwide may be diluted in the future.

Your percentage ownership in Wyndham Worldwide may be diluted in the future because of equity awards that we expect will be granted over time to our directors, officers and employees as well as due to the exercise of options issued. In addition, our Board may issue shares of our common and preferred stock, and debt securities convertible into shares of our common and preferred stock, up to certain regulatory thresholds without shareholder approval.

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

Our certificate of incorporation and by-laws, and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive and to encourage prospective acquirors to negotiate with our Board rather than to attempt a hostile takeover. These provisions include: a Board of Directors that is divided into three classes with staggered terms; elimination of the right of our stockholders to act by written consent; rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings; the right of our Board to issue preferred stock without stockholder approval; and limitations on the right of stockholders to remove directors. Delaware law also imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock.

We cannot provide assurance that we will continue to pay dividends.

There can be no assurance that we will have sufficient surplus under Delaware law to be able to continue to pay dividends. 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 of Directors may also suspend the payment of dividends if the Board deems such action to be in the best interests of the Company or stockholders. If we do not pay dividends, the price of our common stock must appreciate for you to realize a gain on your investment in Wyndham Worldwide. This appreciation may not occur, and our stock may in fact depreciate in value.

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

Under the separation agreement and the tax sharing agreement that we executed with Cendant (now Avis Budget Group) and former Cendant units, Realogy and Travelport, we and Realogy generally are responsible for 37.5% and 62.5%, respectively, of certain of Cendant's contingent and other corporate liabilities and associated costs, including taxes imposed on Cendant and certain other subsidiaries and certain contingent and other corporate liabilities of Cendant and/or its subsidiaries to the extent incurred on or prior to August 23, 2006, including liabilities relating to certain of Cendant's terminated or divested businesses, the Travelport sale, the Cendant litigation described in this report under "Cendant 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. In addition, each of us, Cendant, and Realogy may be responsible for 100% of certain of Cendant's tax liabilities that will provide the responsible party with a future, offsetting tax benefit.

If any party responsible for the liabilities described above were to default on its obligations, each non-defaulting party (including Avis Budget) 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. On or about April 10, 2007, Realogy Corporation was acquired by affiliates of Apollo Management VI, L.P. and its stock is no longer publicly traded. The acquisition does not negate Realogy's obligation to satisfy 62.5% of such contingent and other corporate liabilities of Cendant or its subsidiaries pursuant to the terms of the separation agreement. As a result of the acquisition, however, Realogy has greater debt obligations and its ability to satisfy its portion of these liabilities may be adversely impacted. In accordance with the terms of the separation agreement, Realogy posted a letter of credit in April 2007 for our and Cendant's benefit to cover its estimated share of the assumed liabilities discussed above, although there can be no assurance that such letter of credit will be sufficient to cover Realogy's actual obligations if and when they arise.

The IRS has commenced an audit of Cendant's taxable years 2003 through 2006, during which we were included in Cendant's tax returns. Our recorded tax liabilities for these tax years represent our current best estimates of the probable outcome for certain tax positions taken by Cendant for which we would be responsible under the tax sharing agreement. The rules governing taxation are complex and subject to varying interpretations. Therefore, our tax accruals reflect a series of complex judgments about future events and rely heavily on estimates and assumptions. While we believe that the estimates and assumptions supporting our tax accruals are reasonable, tax audits and any related litigation could result in tax liabilities for us that are materially different than those reflected in our historical income tax provisions and recorded assets and liabilities. Further, there can be no assurance that the IRS will not propose adjustments to the returns for which we may be responsible under the tax sharing agreement or that any such proposed adjustments would not be material. The result of an audit or litigation could have a material adverse effect on our income tax provision and/or net income in the period or periods to which such audit or litigation relates and/or cash flows in the period or periods during which taxes due must be paid.

We may be required to write-off a portion of the remaining goodwill value of companies we have acquired.

Under generally accepted accounting principles, we review our intangible assets, including goodwill, for impairment at least annually or when events or changes in circumstances indicate the carrying value may not be recoverable. Factors that may

be considered a change in circumstances, indicating that the carrying value of our goodwill or other intangible assets may not be recoverable, include a sustained decline in our stock price and market capitalization, reduced future cash flow estimates, and slower growth rates in our industry. 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 or other intangible assets is determined, negatively impacting our results of operations and stockholders' equity.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Below is a summary of our Wyndham Worldwide common stock repurchases by month for the quarter ended March 31, 2010:

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 Plan	
January 1—31, 2010	—	$	—	—	$	156,211,153
February 1—28, 2010	149,025	$	22.73	149,025	$	155,198,917
March 1—31, 2010(*)	607,674	$	24.56	607,674	$	143,573,895
Total	756,699	$	24.20	756,699	$	143,573,895

(*) Includes 84,800 shares purchased for which the trade date occurred during March 2010 while settlement occurred during April 2010.

We expect to generate annual net cash provided by operating activities minus capital expenditures, equity investments and development advances of approximately $500 million to $600 million over the next several years, excluding cash payments related to our contingent tax liabilities that we assumed and are responsible for pursuant to our separation from Cendant. A portion of this cash flow is expected to be returned to our shareholders in the form of share repurchases. On August 20, 2007, our Board of Directors authorized a stock repurchase program that enables us to purchase up to $200 million of our common stock. During the first quarter of 2010, we repurchased 756,699 shares at an average price of $24.20 and repurchase capacity increased $7 million from proceeds received from stock option exercises. Such repurchase capacity will continue to be increased by proceeds received from future stock option exercises.

During the period April 1, 2010 through April 29, 2010, we repurchased an additional 557,000 shares at an average price of $26.61. We currently have $133 million remaining availability in our program. The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements and other factors. Repurchases may be conducted in the open market or in privately negotiated transactions.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

The exhibit index appears on the page immediately following the signature page of this report.

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:

- were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- 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;

- may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WYNDHAM WORLDWIDE CORPORATION

Date: April 30, 2010

/s/ Thomas G. Conforti
Thomas G. Conforti
Chief Financial Officer

Date: April 30, 2010

/s/ Nicola Rossi
Nicola Rossi
Chief Accounting Officer

Exhibit Index

Exhibit No.	Description
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 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 the Registrant's Form 10-Q filed November 14, 2006)
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to the Registrant's Form 8-K filed July 19, 2006)
3.2	Amended and Restated By-Laws (incorporated by reference to the Registrant's Form 8-K filed July 19, 2006)
10.1*	Second Amendment to the Second Amended and Restated FairShare Vacation Plan Use Management Trust Agreement, effective as of February 15, 2010, by and between the Fairshare Vacation Owners Association and Wyndham Vacation Resorts, Inc.
10.2*	Credit Agreement, dated as of March 29, 2010, among Wyndham Worldwide Corporation, the lenders party to the agreement from time to time, JPMorgan Chase Bank, N.A., as syndication agent, The Bank of Nova Scotia, Deutsche Bank AG New York Branch, The Royal Bank of Scotland PLC, and Credit Suisse AG, Cayman Islands Branch, as co-documentation agents, and Bank of America, N.A., as administrative agent, for the lenders.
12*	Computation of Ratio of Earnings to Fixed Charges
15*	Letter re: Unaudited Interim Financial Information
31.1*	Certification of Chairman and Chief Executive Officer Pursuant to Rules 13(a)-14(a) and 15(d)-14(a) Promulgated Under the Securities Exchange Act of 1934, as amended
31.2*	Certification of Chief Financial Officer Pursuant to Rules 13(a)-14(a) and 15(d)-14(a) Promulgated Under the Securities Exchange Act of 1934, as amended
32*	Certification of Chairman and Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed with this report

Prepared by and return to:
Wyndham Vacation Resorts, Inc.
Office of the General Counsel
8427 South Park Circle
Orlando, Florida 32819
Attn: George Hewes, Esq.

SECOND AMENDMENT TO THE SECOND AMENDED AND RESTATED FAIRSHARE VACATION PLAN USE MANAGEMENT TRUST AGREEMENT

This Second Amendment to the Second Amended and Restated FairShare Vacation Plan Use Management Trust Agreement (this "**Second Amendment**") is made effective as of the 15th day of February, 2010 by and between the Fairshare Vacation Owners Association, an Arkansas nonprofit corporation (the "**Trustee**" or, alternatively, the "**Association**") and Wyndham Vacation Resorts, Inc., a Delaware corporation ("**Wyndham**").

WITNESSETH THAT:

WHEREAS, the Second Amended and Restated FairShare Vacation Plan Use Management Trust Agreement dated as of March 14, 2008 (the "**Trust Agreement**") amended and restated that certain Amended and Restated FairShare Vacation Plan Use Management Trust Agreement dated January 1, 1996, as amended, and said Amended and Restated FairShare Vacation Plan Management Use Trust Agreement amended and restated that certain FairShare Vacation Plan Use Management Trust Agreement dated June 26, 1991 which established a trust to permit the Beneficiaries to use and exchange Use Rights available through the Trust;

WHEREAS, the Trustee and Wyndham executed the First Amendment to the Second Amended and Restated FairShare Vacation Plan Use Management Trust Agreement dated March 16, 2009 (the "**First Amendment**" and the Trust Agreement as amended by the First Amendment is hereinafter called the "**Amended Trust Agreement**");

WHEREAS, the Trustee is the entity responsible for certain duties and obligations in connection with the operation and administration of the Trust, as set forth in the Amended Trust Agreement;

WHEREAS, the Trustee has determined, after thorough consideration and analysis, that the Amended Trust Agreement warrants being amended to clarify the Trustee's and the Plan Manager's authority to assess fees against those Members whose installment payment or annual payment of the Club Wyndham Plus Assessment, whose payment of fees for special requested services and/or whose payment of any other amount due to the Trustee or the Plan Manager is delinquent and to clarify other matters; and

WHEREAS, the parties hereto desire, in accordance with the terms and provisions of Section 14.05 of the Amended Trust Agreement, to modify the terms of the Amended Trust Agreement as set forth in this Second Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows:

1. This Second Amendment and the Amended Trust Agreement shall, for all purposes, be deemed to be one instrument. In the event of any conflict between the terms and provisions of this Second Amendment and the terms and provisions of the Amended Trust Agreement, the terms and provision of this Second Amendment shall, in all instances, control and prevail. Except as expressly defined herein, all words and phrases which are defined in the Amended Trust Agreement shall have the same meanings in this Second Amendment as are ascribed to them in the Amended Trust Agreement.

2. All references in the Amended Trust Agreement to "FairShare Plus" or "Club Wyndham Plus" shall be revised to read "CLUB WYNDHAM Plus." Thus, for example, the second sentence of the definition of the term "**Plan**" in Article I of the Amended Trust Agreement shall read as follows:

"The Plan is also known as the CLUB WYNDHAM Plus Program."

3. The definition of Program Fund set forth in Article I is deleted in its entirety and the following is substituted in lieu thereof:

"**'Program Fund'** means the account or accounts in which the Program Fee and all other amounts (other than OA Fees) paid to the Trustee or the Plan Manager under this Trust Agreement or the Directory are deposited to pay the expenses incurred in connection with the operation and administration of the Plan."

4. The following defined term shall be added to Article I of the Amended Trust Agreement, Definitions:

"**'CLUB WYNDHAM Plus Account'** means the sum of all assessments, fees, charges and other amounts payable by a Member to the Trustee or the Plan Manager, including, without limitation, a Member's CLUB WYNDHAM Plus Assessment or installments thereof and fees payable to the Trustee or the Plan Manager for special services requested by the Member."

5. Section 3.04 of the Amended Trust Agreement is deleted in its entirety and the following is substituted in lieu thereof:

"**3.04 Wyndham**. Wyndham, in its capacity as the developer of resort communities and Vacation Plans or as the sales and marketing agent of Property Interests for Third Parties, shall have the right to sell Property Interests to purchasers who, after such purchase, voluntarily elect to subject such Property Interests (or the Use Rights therein) to this

Trust Agreement or to sell Property Interests which have been subjected to this Trust Agreement prior to such sale, in either case for cash or other terms acceptable to Wyndham. With respect to the Property Interests subjected to this Trust Agreement which it owns (and therefore prior to the sale thereof by Wyndham), Wyndham, as such developer, may finance, with one or more lenders, such Property Interests, and may deliver to any such lender, deeds of trust, mortgages or other security instruments or liens against such Property Interests. Wyndham, as such developer, may also pledge to one or more lenders the Purchase Agreements or promissory notes given by Members secured by UCC-1 Financing Statements, mortgages, deeds of trust, or other security instruments. Any such liens or security interests shall contain subordination language which subordinates the lenders' interest in the Property Interest encumbered by such lien or security interest to that of the Member so long as such Member is not in default of the contractual obligations under the Member's Purchase Agreement or promissory note."

6. Section 5.03 of the Amended Trust Agreement is deleted in its entirety and the following is substituted in lieu thereof:

"**5.03 <u>Addition of Accommodations</u>.** Wyndham, in its sole and absolute discretion, or the Plan Manager (with Wyndham's consent) may, from time to time, (a) cause resort communities and Vacation Plans (whether developed by Wyndham or Third Parties) to enter into affiliation arrangements with the Trust with the intention, as noted in Section 3.04, that either (i) the purchaser of a Property Interest therein would have the right, on a voluntary basis, to assign the Use Rights therein to the Trust after such purchase or (ii) the Property Interests therein would have been previously subjected to this Trust Agreement and therefore, the purchaser thereof would automatically become a Member, and (b) cause the Property Interests in additional Accommodations, interests or rights in other real or personal property and/or rights in or to services to be transferred or otherwise made available to the Members through the Plan, all of such actions to occur without the consent of any of the other Members or the Trustee; but under no circumstances shall Wyndham or the Plan Manager be required to make any such transfers. The addition to the Plan of Property Interests (or the Use Rights therein) in Accommodations, interests or rights in other real and personal property and/or rights in or to services may result in the addition of new Members who will compete with existing Members in making reservations for the use of the Trust Properties, and may also result in an increase in the Program Fee."

7. Section 8.01 of the Amended Trust Agreement is deleted in its entirety and the following is substituted in lieu thereof:

"**8.01 <u>Restrictions on Encumbrances</u>**. Trustee, in its capacity as Trustee under this Trust Agreement, shall not encumber any of the Trust Properties or other assets of the Plan (including the escrowed OA Fees), except to the extent of the lien or security interest in favor of the Trustee for the outstanding balance of each Member's CLUB WYNDHAM Plus Account (other than the portion thereof constituting OA Fees) (as provided in Section 10.07 below); provided, however, the Trustee shall not be restricted

from accepting on behalf of the Trust a conveyance of a Property Interest (or the Use Rights therein) which Property Interest has encumbrances or other interests which are or may be prior to those of any Beneficiary provided the provisions of ARTICLE VI, Section 6.01 (b) have been met."

8. Section 10.07 of the Amended Trust Agreement is deleted in its entirety and the following is substituted in lieu thereof:

"**10.07** **Delinquent CLUB WYNDHAM Plus Account**. A Member's CLUB WYNDHAM Plus Account shall be deemed to be delinquent if (1) such Member shall fail to pay when due (a) his CLUB WYNDHAM Plus Assessment, or any installment thereof, (b) any fees charged by the Trustee or the Plan Manager for specially requested services pursuant to this Trust Agreement or the Directory, or (c) any other amount due the Trustee or the Plan Manager and (2) such failure shall continue for thirty (30) days after the date that the Trustee (or the Plan Manager on behalf of the Trustee) sends written notice thereof. A past due notice or a notice of failure of collection shall be deemed to satisfy the requirement for such written notice. Once a Member's CLUB WYNDHAM Plus Account becomes delinquent, (i) such Member shall no longer be entitled to use his Points in the Plan unless and until such delinquency is cured and (ii) the Trustee (or the Plan Manager on behalf of the Trustee) shall have the right, to the extent not expressly prohibited by applicable law, to assess against and collect from such Member and add to his CLUB WYNDHAM Plus Account (x) a late fee in an amount determined by the Plan Manager as reasonable compensation for the additional administrative burden created by the delinquency, to be assessed against each payment, installment, fee or other amount that is so delinquent and (y) collection costs and expenses incurred by the Plan Manager in collecting from a Member late fees and the delinquent portion of his CLUB WYNDHAM Plus Account, which costs and expenses shall reasonably approximate the Plan Manager's actual collection costs and expenses. Further, the Trustee shall have (and each Member, by acquiring a Property Interest subject to this Trust Agreement or by assigning to the Trust the Use Rights in his Property Interest, shall be deemed to have granted to the Trustee) a lien or security interest in such Member's Use Rights (or Property Interest) to the extent of the outstanding balance of such Member's CLUB WYNDHAM Plus Account (except for the portion thereof constituting OA Fees), which lien or security interest shall, in all respects, be subordinate to both (A) the lien or security interest of the underlying OA with respect to the OA Fees owed to it and (B) the lien or security interest of any lender who has a provided purchase money financing in connection with such Member's Property Interest. Upon the occurrence of such a delinquency, the Trustee is hereby authorized to take all steps necessary to perfect its lien or security interest and to enforce its lien or security interest in any manner permitted by applicable law, including, but not limited to, a suit at law or a power of sale or enforcement of its lien or security interest in the manner provided for under applicable law."

9. Section 10.08 of the Amended Trust Agreement is deleted in its entirety and the following is substituted in lieu thereof:

“**10.08** **Withdrawal from Trust**. In the event a Member withdraws his Property Interest (or the Use Rights therein) from the Trust for any reason, such Member shall be entitled to receive a refund of the prepaid OA Fee held in the Escrow Account on his behalf. The amount of the refund shall equal the balance of the withdrawing Member’s prepaid OA Fees less any administrative fees charged by the Trustee and/or the Plan Manager in connection with such withdrawal. The portion of such Member’s CLUB WYNDHAM Plus Account not constituting OA Fees is not refundable.”

10. Section 11.07 of the Amended Trust Agreement is deleted in its entirety and the following is substituted in lieu thereof:

“**11.07** **Delinquent Payments**. The Trustee reserves the right to prohibit a Member from utilizing his Points to reserve or use Accommodations, in the event of a delinquency in the payment of any amounts due to Wyndham or any other seller, lender or lienholder related to such Member’s Property Interest or Points, or in the event of a delinquency in such Member’s CLUB WYNDHAM Plus Account.**”**

11. Section 12.01 of the Amended Trust Agreement is deleted in its entirety and the following is substituted in lieu thereof:

“**12.01** **Sale or Transfer**. A Member may sell or otherwise transfer his Property Interest and Points provided such Member gives notice to the Trustee at the address specified herein and provided further that the Points allocated to a Property Interest (or the Use Rights therein) may not be sold separate from such Property Interest. A Member may not transfer his Property Interest nor permit others to use the Points associated therewith unless such Member is current in his payment of all amounts due under his CLUB WYNDHAM Plus Account and such Member is current in the payment of any other financial obligation to the Trust or to any OA. The transfer of a Property Interest and the Points associated therewith may not result in a Member owning less than the minimum number of Points needed to reserve one week in an Accommodation. A Member desiring to transfer his Property Interest must also obtain the written consent of Wyndham, which consent may be withheld if the Member is delinquent in the payment of any obligations then due Wyndham under his Purchase Agreement, or under a mortgage, deed of trust or other security instrument encumbering his Property Interest, or if the terms and conditions of the Member’s Assignment Agreement prohibit or condition the sale, conveyance or transfer of the Membership to persons other than Wyndham. Wyndham and/or the Plan Manager has the right, in its discretion, to charge an enrollment fee for the purchaser to join the Plan with respect to the Property Interest being transferred, and a reasonable transfer fee for documenting the transfer of a Property Interest and the appurtenant Points.”

12. Section 13.03 of the Amended Trust Agreement is deleted in its entirety and the following is substituted in lieu thereof:

“**13.03 Payment of Delinquencies.** Neither the Plan Manager, the Trustee, the Association nor Wyndham shall be responsible for paying any CLUB WYNDHAM Plus Assessments or any delinquencies in any Member’s CLUB WYNDHAM Plus Account.”

13. The modifications to the Amended Trust Agreement contained in this Second Amendment shall become effective on the date first written above, unless otherwise specifically noted.

14. The Amended Trust Agreement shall remain in full force and effect except as hereby amended, and the Amended Trust Agreement, as amended by this Second Amendment, is hereby approved, ratified and confirmed.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Second Amendment to the Second Amended and Restated FairShare Vacation Plan Use Management Trust Agreement as of the date set forth above.

WYNDHAM VACATION RESORTS, INC.,
a Delaware corporation

By: /s/ Gary T. Byrd
Its: Executive Vice President
Name (Printed) Gary T. Byrd (SEAL)

FAIRSHARE VACATION OWNERS ASSOCIATION
an Arkansas nonprofit corporation, in its capacity as TRUSTEE

By: /s/ Terri Dost (SEAL)
Its: President
Name (Printed) Terri Dost

ACKNOWLEDGEMENT

STATE OF Florida)
) SS.
COUNTY OF Orange)

On January 5, 2010 before me, the undersigned, a Notary Public in and for said State, personally appeared Gary T. Byrd personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within named instrument as Executive Vice President of Wyndham Vacation, Resorts Inc., a Delaware corporation, executed same in accordance with a resolution of the Board of Directors of the corporation or the corporate by-laws.

WITNESS my hand and official seal.

Signature /s/ Anna L. Walton
Anna L. Walton
Notary's Name (Typed or Printed)

STATE OF Florida)
) SS.
COUNTY OF Orange)

On January 5, 2010 before me, the undersigned, a Notary Public in and for said State, personally appeared Terri Dost personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within named instrument as President of FairShare Vacation Owners Association, an Arkansas non-profit corporation, in its capacity as **"Trustee"**, executed same in accordance with a resolution of the Board of Directors of the corporation or the corporate by-laws.

WITNESS my hand and official seal.

Signature Anna L. Walton
Anna L. Walton
Notary's Name (Typed or Printed)

Exhibit 10.2

EXECUTION COPY

$950,000,000

CREDIT AGREEMENT

Dated as of March 29, 2010

among

WYNDHAM WORLDWIDE CORPORATION,
as Borrower

THE LENDERS REFERRED TO HEREIN,

BANK OF AMERICA, N.A.,
as Administrative Agent,

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent,

THE BANK OF NOVA SCOTIA,
DEUTSCHE BANK SECURITIES INC.,
THE ROYAL BANK OF SCOTLAND PLC and
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as Co-Documentation Agents

J.P. MORGAN SECURITIES INC. and
BANC OF AMERICA SECURITIES LLC
as Joint Bookrunners

J.P. MORGAN SECURITIES INC.,
BANC OF AMERICA SECURITIES LLC,
THE BANK OF NOVA SCOTIA, DEUTSCHE BANK SECURITIES INC.,
RBS SECURITIES INC. and CREDIT SUISSE SECURITIES (USA) LLC
as Joint Lead Arrangers

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SCHEDULES

2.1	Commitments
3.16	Material Subsidiaries

EXHIBITS

A	Form of Opinion of Kirkland & Ellis LLP
B	Form of Assignment and Acceptance
C	Form of Compliance Certificate
D-1	Form of Competitive Bid Request
D-2	Form of Competitive Bid Invitation
D-3	Form of Competitive Bid
D-4	Form of Competitive Bid Accept/Reject Letter
E	Form of Revolving Credit Borrowing Request
F	Form of Joinder Agreement
G-1	Form of New Revolving Lender Supplement
G-2	Form of New Incremental Lender Supplement
H	Form of Commitment Increase Supplement

CREDIT AGREEMENT, dated as of March 29, 2010, among WYNDHAM WORLDWIDE CORPORATION, a Delaware corporation (the "Borrower"), the lenders party to this Agreement from time to time (the "Lenders"), JPMORGAN CHASE BANK, N.A., as syndication agent (the "Syndication Agent"), THE BANK OF NOVA SCOTIA, DEUTSCHE BANK SECURITIES INC., THE ROYAL BANK OF SCOTLAND PLC, and CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as co-documentation agents (the "Co-Documentation Agents"), and BANK OF AMERICA, N.A., as administrative agent (the "Administrative Agent"; together with the Syndication Agent, and the Co-Documentation Agents, the "Agents") for the Lenders.

The parties hereto hereby agree as follows:

1. DEFINITIONS

For the purposes hereof unless the context otherwise requires, the following terms shall have the meanings indicated, all accounting terms not otherwise defined herein shall have the respective meanings accorded to them under GAAP and all terms defined in the New York Uniform Commercial Code and not otherwise defined herein shall have the respective meanings accorded to them therein:

"Act" shall have the meaning assigned to such term in Section 10.16.

"ABR Borrowing" shall mean a Borrowing comprised of ABR Loans.

"ABR Loan" shall mean any Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Section 2.

"Administrative Agent" is defined in the preamble and includes each other Person appointed as the successor Administrative Agent pursuant to Section 8.10.

"Affiliate" shall mean as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, a Person shall be deemed to be "controlled by" another if such latter Person possesses, directly or indirectly, power either to (i) vote 10% or more of the securities having ordinary voting power for the election of directors of such controlled Person or (ii) direct or cause the direction of the management and policies of such controlled Person whether by contract or otherwise.

"Agents" is defined in the preamble.

"Aggregate Exposure" shall mean, with respect to any Lender at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender's Commitments at such time and (b) thereafter, the amount of such Lender's Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"Aggregate Exposure Percentage" shall mean, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Agreement" means, on any date, this Credit Agreement as originally in effect on the Closing Date and as thereafter from time to time amended, supplemented, amended and restated or otherwise modified from time to time and in effect on such date.

"Alternate Base Rate" shall mean, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus $^{1}/_{2}$ of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate" ("Prime Rate") and (c) LIBOR plus 1%. The Prime Rate is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any changes in such price announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Applicable Law" shall mean, with respect to any Person, all provisions of statutes, rules, regulations and orders of governmental bodies or regulatory agencies applicable to such Person, and all binding orders and decrees of all courts and arbitrators in proceedings or actions in which the Person in question is a party or is subject.

"Assignment and Acceptance" shall mean an agreement in the form of Exhibit B hereto, executed by the assignor, assignee and the other parties as contemplated thereby.

"Australian Dollars" or "A$" shall mean lawful money of Australia.

"Auto-Reinstatement Letter of Credit" shall have the meaning assigned to such term in Section 2.26(j).

"Basis Point" shall mean 1/100th of 1%.

"Bank of America" shall mean Bank of America, N.A.

"Board" shall mean the Board of Governors of the Federal Reserve System.

"Borrower" is defined in the preamble.

"Borrowing" shall mean a group of Loans of a single Interest Rate Type made by the Lenders (or in the case of a Competitive Borrowing, by the Lender or Lenders whose Competitive Bids have been accepted pursuant to Section 2.7) on a single date and as to which a single Interest Period is in effect.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks in the State of New York are permitted to close; provided, however, that when used in connection with (x) a LIBOR Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollar deposits or deposits in any Optional Currency, as applicable, on the London Interbank market and (y) a Local Competitive Loan, the term "Business Day" shall also exclude any day on which banks are not open for general business in the principal financial center of the relevant jurisdiction.

"Calculation Time" shall have the meaning assigned to such term in Section 2.25(a).

"Canadian Dollars" or "C$" shall mean lawful money of Canada.

"Capital Lease" shall mean as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee which, in accordance with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

"Cash Collateral Account" shall mean a collateral account established with the Administrative Agent, in the name of the Administrative Agent and under its sole dominion and control, into which the Borrower or any Subsidiary Borrower shall from time to time deposit Dollars, or Cash equivalents, in the case of any such deposit made pursuant to Section 2.26(g), pursuant to the express provisions of this Agreement requiring such deposit.

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Lender or Swingline Lender (as applicable) and the Lenders, as collateral for L/C Exposure, Obligations in respect of Swingline Loans, or obligations of Lenders to fund participations in respect of either thereof (as the context may require), into a Cash Collateral Account cash or deposit account balances or, if the Issuing Lender or Swingline Lender benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) the Issuing Lender or the Swingline Lender (as applicable). "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalents" shall mean any of the following, to the extent acquired for investment and not with a view to achieving trading profits: (i) obligations fully backed by the full faith and credit of the United States of America maturing not in excess of twelve months from the date of acquisition, (ii) commercial paper maturing not in excess of twelve months from the date of acquisition and rated at least "P-1" by Moody's or "A-1" by S&P on the date of such acquisition, (iii) the following obligations of any Lender or any domestic commercial bank having capital and surplus in excess of $500,000,000, which has, or the holding company of which has, a commercial paper rating meeting the requirements specified in clause (ii) above: (a) time deposits, certificates of deposit and acceptances maturing not in excess of twelve months from the date of acquisition, or (b) repurchase obligations with a term of not more than thirty days for underlying securities of the type referred to in clause (i) above, (iv) money market funds that invest exclusively in interest bearing, short-term money market instruments and adhere to the minimum credit standards established by Rule 2a-7 of the Investment Company Act of 1940 (17 C.F.R. §270.2A-7 (April 1, 2004), and (v) municipal securities: (a) for which the pricing period in effect is not more than twelve months long and (b) rated at least "P-1" by Moody's or "A-1" by S&P. Notwithstanding the foregoing, auction rate securities shall not constitute Cash Equivalents.

"Cendant" shall mean Cendant Corporation, a Delaware corporation.

"Change in Control" shall mean (i) the acquisition by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the Closing Date), directly or indirectly, beneficially or of record, of ownership or control of in excess of 35% of the voting common stock of the Borrower on a fully diluted basis at any time or (ii) if at any time, individuals who on the Closing Date constituted the Board of Directors of the Borrower (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Borrower, as the case may be, was approved by a vote of the majority of the directors then still in office who were either directors on the Closing Date or whose election or a nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Borrower then in office.

"Closing Date" shall mean the date on which the conditions precedent set forth in Section 4.1 have been satisfied or waived.

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

"Co-Documentation Agents" is defined in the preamble.

"Commitment Increase Notice" shall have the meaning assigned to such term in Section 2.14(d).

"Competitive Bid" shall mean an offer by a Revolving Lender to make a Competitive Loan pursuant to Section 2.7, in the form of Exhibit D-3.

"Competitive Bid Accept/Reject Letter" shall mean a notification made by the Borrower or any Subsidiary Borrower pursuant to Section 2.7(d) in the form of Exhibit D-4.

"Competitive Bid Rate" shall mean as to any Competitive Bid for a Competitive Loan made by a Revolving Lender pursuant to Section 2.7(b), (a) in the case of a LIBOR Loan, the Margin and (b) in the case of a Fixed Rate Competitive Loan, the fixed rate of interest offered by the Revolving Lender making such Competitive Bid.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.7 in the form of Exhibit D-1.

"Competitive Borrowing" shall mean a Borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Revolving Lender or Revolving Lenders whose Competitive Bids for such Borrowing have been accepted by the Borrower or any Subsidiary Borrower under the bidding procedure described in Section 2.7.

"Competitive Loan" shall mean a Loan from a Revolving Lender to the Borrower or any Subsidiary Borrower pursuant to the bidding procedure described in Section 2.7. Each Competitive Loan shall be a LIBOR Competitive Loan or a Fixed Rate Competitive Loan.

"Confidential Information" shall mean information concerning the Borrower, its Subsidiaries or its Affiliates which is non-public, confidential or proprietary in nature, or any information that is marked or designated confidential by or on behalf of the Borrower, which is furnished to any Lender by the Borrower or any of its Affiliates directly or through the Administrative Agent in connection with this Agreement or the transactions contemplated hereby (at any time on, before or after the date hereof), together with all analyses, compilations or other materials prepared by such Lender or its respective directors, officers, employees, agents, auditors, attorneys, consultants or advisors which contain or otherwise reflect such information.

"Consolidated Assets" shall mean, at any date of determination, the total assets of the Borrower and its Consolidated Subsidiaries determined in accordance with GAAP.

"Consolidated EBITDA" shall mean, without duplication, for any period for which such amount is being determined, the sum of the amounts for such period of (i) Consolidated Net Income, (ii) provision for taxes based on income, (iii) depreciation expense, (iv) Consolidated Interest Expense, (v) amortization expense, (vi) payments in an aggregate amount not to exceed $35,000,000 during any Rolling Period that arise out of or in connection with the Spin-Off including those made in respect of legacy Cendant expense reimbursement obligations, (vii) cash restructuring charges in an aggregate amount not to exceed $35,000,000 after the Closing Date taken in connection with publicly announced business and operation restructurings provided that any such restructuring charges taken in any fiscal quarter shall, for purposes of calculating

Consolidated EBITDA, be deemed to be taken 25% in such fiscal quarter and 25% in each of the following three fiscal quarters and (viii) other non-cash items reducing Consolidated Net Income, minus (plus) (ix) any non-recurring gains (losses) on business exit activities outside the ordinary course of business if such gains (losses) are included in Consolidated Net Income) minus (x) any cash expenditures during such period in excess of $25,000,000 to the extent such cash expenditures (A) did not reduce Consolidated Net Income for such period and (B) were applied against reserves that constituted non-cash items which reduced Consolidated Net Income during prior periods (including reserves established upon the consummation of the Spin-Off), all as determined on a consolidated basis for the Borrower and its Consolidated Subsidiaries in accordance with GAAP; provided that to the extent the aggregate amount of cash expenditures referred to in clause (x) above exceeds $50,000,000 in any period of measurement, such amounts may be spread ratably over the period being measured and the periods of measurement for the subsequent three fiscal years, provided, however, that in any annual measurement period the maximum amount being spread may not exceed $100,000,000 and any excess over that amount must be reflected fully in the relevant measurement period. Notwithstanding the foregoing, in calculating Consolidated EBITDA pro forma effect shall be given to each (1) acquisition of a Consolidated Subsidiary or any other entity acquired by the Borrower or any of its Consolidated Subsidiaries in a merger, where the purchase price or merger consideration exceeds $25,000,000 during such period and (2) disposition property by the Borrower and its Consolidated Subsidiaries yielding gross profits in excess of $25,000,000 during such period as if such acquisition or disposition had been made on the first day of such period.

"Consolidated Financial Statements" shall have the meaning assigned to such term in Section 3.4(b).

"Consolidated Interest Coverage Ratio" shall mean, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Expense" shall mean for any period for which such amount is being determined, total interest expense paid or payable in cash (including that properly attributable to Capital Leases in accordance with GAAP but excluding in any event (x) all capitalized interest and amortization of debt discount and debt issuance costs and (y) debt extinguishment costs) of the Borrower and its Consolidated Subsidiaries on a consolidated basis including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net cash costs (or minus net profits) under Interest Rate Protection Agreements minus, without duplication, any interest income of the Borrower and its Consolidated Subsidiaries on a consolidated basis during such period. Notwithstanding the foregoing, interest expense in respect of any Securitization Indebtedness or any Non-Recourse Indebtedness shall not be included in Consolidated Interest Expense.

"Consolidated Leverage Ratio" shall mean, as of the last day of any period, the ratio of (a) Consolidated Total Indebtedness on such day to (b) Consolidated EBITDA for such period.

"Consolidated Net Income" shall mean, for any period for which such amount is being determined, the net income (or loss) of the Borrower and its Consolidated Subsidiaries during such period determined on a consolidated basis for such period taken as a single accounting period in accordance with GAAP, provided that there shall be excluded (i) income (loss) of any Person (other than a Consolidated Subsidiary of the Borrower) in which the Borrower or any of its Consolidated Subsidiaries has any equity investment or comparable interest, except to the extent of the amount of dividends or other distributions actually paid to the Borrower or its

Consolidated Subsidiaries by such Person during such period, (ii) the income of any Consolidated Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by that Consolidated Subsidiary of the income is not at the time permitted by operation of the terms of its charter, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Consolidated Subsidiary, (iii) any extraordinary after-tax gains and (iv) any extraordinary or unusual pretax losses. (including indemnity obligations incurred or liabilities assumed in connection with the Spin-Off).

"Consolidated Net Worth" shall mean, as of any date of determination, all items which in conformity with GAAP would be included under shareholders' equity on a consolidated balance sheet of the Borrower and its Subsidiaries at such date.

"Consolidated Subsidiaries" shall mean all Subsidiaries of the Borrower that are required to be consolidated with the Borrower for financial reporting purposes in accordance with GAAP.

"Consolidated Total Indebtedness" shall mean (i) the total amount of Indebtedness of the Borrower and its Consolidated Subsidiaries determined on a consolidated basis using GAAP principles of consolidation, which is, at the dates as of which Consolidated Total Indebtedness is to be determined, includable as liabilities on a consolidated balance sheet of the Borrower and its Subsidiaries, plus (ii) without duplication of any items included in Indebtedness pursuant to the foregoing clause (i), Indebtedness of others which the Borrower or any of its Consolidated Subsidiaries has directly or indirectly assumed or guaranteed (but only to the extent so assumed or guaranteed) or otherwise provided credit support therefor, including without limitation, Guaranty Obligations; provided that, for purposes of this definition, Indebtedness shall not include (1) Guaranty Obligations and contingent liabilities incurred or assumed in connection with the Spin-Off (including those determined in accordance with FIN 45 and SFAS), (2) Securitization Indebtedness, (3) the aggregate undrawn amount of outstanding Letters of Credit, (4) Non-Recourse Indebtedness, or (5) obligations incurred under any derivatives transaction entered into in the ordinary course of business pursuant to hedging programs. In addition, for purposes of this definition, the amount of Indebtedness at any time shall be reduced (but not to less than zero) by the amount of Excess Cash.

"Currency" shall mean Dollars or any Optional Currency.

"Debtor Relief Law" shall mean the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United State or other applicable jurisdictions form time to time in effect and affecting the rights of creditors generally.

"Default" shall mean any event, act or condition, which with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Lender" means, subject to Section 2.31, any Lender that, as reasonably determined by the Administrative Agent, (a) has failed to perform any of its funding obligations hereunder including in respect of its Loans or participations in respect of Letters of Credit or Swingline Loans within three Business Days of the date required to be funded by it hereunder, (b) has notified the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations hereunder or has made a public statement to that effect with respect to its funding obligations hereunder or (c) has, or has had a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver,

conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, or (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment unless, in each case, such Lender has confirmed in writing its intention to fulfill its funding obligations hereunder; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority.

"Disclosed Matters" shall mean public filings with the Securities and Exchange Commission made by the Borrower or any of its Subsidiaries on Form S-4, Form 8-K, Form 10-Q, Form 10-K or Form 10 (as filed at least three days prior to the Closing Date, as applicable) or any successor form.

"Dollar Equivalent" shall mean, on any date of determination, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to an amount denominated in any Optional Currency, the equivalent in Dollars of such amount determined by the Administrative Agent in accordance with normal banking industry practice using the Exchange Rate on the date of determination of such equivalent. In making any determination of the Dollar Equivalent (for purposes of calculating the amount of Loans to be borrowed from the respective Lenders on any date or for any other purpose), the Administrative Agent shall use the relevant Exchange Rate in effect on the date on which the Borrower or any Subsidiary Borrower delivers a Borrowing Request for Loans or on such other date upon which a Dollar Equivalent is required to be determined pursuant to the provisions of this Agreement. As appropriate, amounts specified herein as amounts in Dollars shall be or include any relevant Dollar Equivalent amount.

"Dollars" and "$" shall mean lawful money of the United States of America.

"Domestic LIBOR Competitive Loan" shall mean any LIBOR Competitive Loan made to the Borrower or any Subsidiary Borrower in the United States.

"Domestic Fixed Rate Competitive Loan" shall mean any Fixed Rate Competitive Loan made to the Borrower or any Subsidiary Borrower in the United States.

"Domestic Subsidiary Borrower" shall mean any Subsidiary Borrower organized under the laws of the United States or any political subdivision thereof.

"Eligible Assignee" shall mean (i) any Lender, (ii) an Affiliate of any Lender and (iii) any other Person approved by the Administrative Agent, the relevant Issuing Lender, the Swingline Lender and the Borrower (such approvals not to be unreasonably withheld or delayed) provided the consent of the Borrower shall not be required so long as an Event of Default has occurred and is continuing; provided that "Eligible Assignee" shall not include (x) any natural person or (y) with respect to any revolving facility under this Agreement (including any Revolving Commitment) the Borrower or any of its Subsidiaries or controlled Affiliates.

"EMU Legislation" shall mean the legislative measures of the European Council (including without limitation the European Council regulations) for the introduction of, changeover to or operation of the Euro in one or more member states.

"Environmental Law" shall mean all laws, rules, orders, regulations, statutes, ordinances, codes, decrees, judgments, injunctions, notices or requirements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or

reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters, including without limitation, the Clean Water Act also known as the Federal Water Pollution Control Act ("FWPCA") 33 U.S.C. § 1251 et seq., the Clean Air Act ("CAA"), 42 U.S.C. §§ 7401 et seq., the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), 7 U.S.C. §§ 136 et seq., the Surface Mining Control and Reclamation Act ("SMCRA"), 30 U.S.C. §§ 1201 et seq., the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Superfund Amendment and Reauthorization Act of 1986 ("SARA"), Public Law 99-499, 100 Stat. 1613, the Emergency Planning and Community Right to Know Act ("ECPCRKA"), 42 U.S.C. § 11001 et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., the Occupational Safety and Health Act as amended ("OSHA"), 29 U.S.C. § 655 and § 657, together, in each case, with any amendment thereto, and the regulations adopted and binding publications promulgated thereunder and all substitutions thereof.

"Environmental Liabilities" shall mean any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as such Act may be amended from time to time, and the regulations promulgated thereunder.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" shall mean (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder as in effect on the date hereof (other than an event for which the 30-day notice period is waived pursuant to regulations as in effect on the date hereof) with respect to a Plan; (b) the failure by any Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived; (c) a determination that any Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent, in Reorganization, or in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA).

"Euro" and "€" shall mean the single currency of Participating Member States introduced in accordance with the provisions of Article 123 of the Treaty and, in respect of all payments to be made under this Agreement in Euro, means immediately available, freely transferable funds in such currency.

"Event of Default" shall have the meaning given such term in Section 7 hereof.

"Excess Cash" shall mean all cash and Cash Equivalents of the Borrower and its Consolidated Subsidiaries at such time determined on a consolidated basis in accordance with GAAP in excess of $10,000,000.

"Exchange Rate" shall mean, on any day, with respect to any Optional Currency, the rate at which such currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m. Eastern time, on such day on the Bloomberg Benchmark Currency Rates page for such Optional Currency, and provided that the Issuing Lender may use such exchange rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Optional Currency. In the event that such rate does not appear on any Bloomberg Benchmark Currency Rates page, the Exchange Rate shall be determined by reference to such publicly available service for displaying exchange rates as may be agreed upon in writing between the Borrower and the Administrative Agent.

"Excluded Taxes" shall mean, with respect to any Lender, or any other recipient of payment to be made by or on account of any obligation of the Borrower or any Subsidiary Borrower hereunder or under any Fundamental Document, (a) income taxes and franchise taxes based on (or measured by) its net income or net profits (or franchise taxes imposed in lieu of net income taxes) imposed on such Lender or other recipient as a result of a present or former connection between such Lender or such recipient and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment hereunder, or enforced, this Agreement), (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction, (c) any withholding tax that is imposed on amounts payable to such Lender in Dollars, or any other recipient of any payment to be made by or on account of any obligation denominated in Dollars of the Borrower or any Domestic Subsidiary Borrower hereunder, at the time such Lender becomes a party to this Agreement (or designates a new Lending Office), except to the extent that such Lender (or its assignor, if any) was entitled, immediately prior to the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrower or any Domestic Subsidiary Borrower with respect to such withholding tax pursuant to Section 2.23(a), (d) Taxes attributable to such Lender's failure to comply with Section 2.23(e), and (e) any Taxes imposed as a result of such Lender's gross negligence or willful misconduct.

"Existing Credit Agreement" shall mean the Credit Agreement dated as of July 7, 2006 among Wyndham Worldwide Corporation, as borrower, JPMorgan Chase Bank, N.A., as Administrative Agent and a lender, Citicorp USA, Inc., as syndication agent and a lender, and the several other lenders referred to therein, as in effect immediately prior to the Closing Date.

"Existing Issuing Lender" shall mean any issuer of an Existing Letter of Credit.

"Existing Letters of Credit" shall mean the letters of credit described on Schedule 2.26 hereto.

“Facility Fee” shall have the meaning given such term in Section 2.9 hereof.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

“Fixed Rate Borrowing” shall mean a Borrowing comprised of Fixed Rate Competitive Loans.

“Fixed Rate Competitive Loan” shall mean a Competitive Loan (either a Domestic Fixed Rate Competitive Loan or a Local Fixed Rate Competitive Loan) bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal to no more than four decimal places) specified by the Lender making such Loan in its Competitive Bid.

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to the Issuing Lender, such Defaulting Lender’s Revolving Percentage of the L/C Exposure other than L/C Exposure as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender’s percentage of Swingline Loans other than Swingline Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

“Fundamental Documents” shall mean this Agreement, any Notes and any Compliance Certificate which is required to be executed by the Borrower or any Subsidiary Borrower pursuant to Section 5.1(c) and delivered to the Administrative Agent in connection with this Agreement.

“Funding Office” shall mean the office of the Administrative Agent specified in Section 10.1 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

“GAAP” shall mean generally accepted accounting principles in the United States as in effect from time to time. In the event that any “Accounting Change” (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree upon written request of the Borrower or Administrative Agent, as applicable, to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower’s financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. If an agreement to amend cannot be made after 45 days following delivery of such written request, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. “Accounting Changes” refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of

the American Institute of Certified Public Accountants or, if applicable, the Securities and Exchange Commission.

"Governmental Authority" shall mean any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or any court, in each case whether of the United States or foreign.

"Granting Lender" shall have the meaning assigned to such term in Section 10.3(k).

"Guaranty" shall mean the guaranty of the Subsidiary Borrower Obligations provided by the Borrower pursuant to Section 9.

"Guaranty Obligation" shall mean any obligation, contingent or otherwise, of the Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided, however, that in calculating the amount of any Guaranty Obligation for any purpose under this Agreement, the amount of such Guaranty Obligation shall be limited to the extent necessary so that such amount does not exceed the value of the assets of such Person (as reflected on a consolidated balance sheet of such Person prepared in accordance with GAAP) to which any creditor or beneficiary of such Guaranty Obligation would have recourse. Notwithstanding the foregoing definition, the term "Guaranty Obligation" shall not include any direct or indirect obligation of a Person as a general partner of a general partnership or a joint venturer of a joint venture in respect of Indebtedness of such general partnership or joint venture, to the extent such Indebtedness is contractually non-recourse to the assets of such Person as a general partner or joint venturer (other than assets comprising the capital of such general partnership or joint venture). The term "Guaranty Obligation" shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Incremental Amendment" shall have the meaning assigned to such term in Section 2.28(a).

"Incremental Facilities" shall have the meaning assigned to such term in Section 2.28(a). The aggregate amount of the Incremental Facilities shall not exceed $250,000,000 at any time.

"Incremental Lender" shall have the meaning assigned to such term in Section 2.28(a).

"Incremental Revolving Commitment" shall have the meaning assigned to such term in Section 2.28(a).

"Incremental Term Loans" shall have the meaning assigned to such term in Section 2.28(a).

"Indebtedness" shall mean (without double counting), at any time and with respect to any Person, (i) indebtedness of such Person for borrowed money (whether by loan or the issuance and sale of debt securities) or for the deferred purchase price of property or services purchased (other than amounts constituting account payables arising in the ordinary course and payable within 180 days); (ii) indebtedness of others of the type described in clause (i), (iii), (iv) or (v) of this definition of Indebtedness, which such Person has directly or indirectly assumed or guaranteed (but only to the extent so assumed or guaranteed) or otherwise provided credit support therefor, including without limitation, Guaranty Obligations; (iii) indebtedness of others secured by a Lien on assets of such Person, whether or not such Person shall have assumed such indebtedness (but only to the extent of the fair market value of such assets); (iv) obligations of such Person in respect of letters of credit, acceptance facilities, or drafts or similar instruments issued or accepted by banks and other financial institutions for the account of such Person (other than account payables arising in the ordinary course and payable within 180 days); or (v) obligations of such Person under Capital Leases.

"Indemnified Party" shall have the meaning assigned to such term in Section 10.5.

"Indemnified Taxes" shall mean Taxes other than Excluded Taxes and Other Taxes.

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

"Interest Payment Date" shall mean, with respect to any Borrowing, the last day of the Interest Period applicable thereto and, in the case of a LIBOR Borrowing with an Interest Period of more than three months' duration or a Fixed Rate Borrowing with an Interest Period of more than 90 days' duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months duration or 90 days' duration, as the case may be, been applicable to such Borrowing, and, in addition, the date of any refinancing or conversion of a Borrowing with, or to, a Borrowing of a different Interest Rate Type; provided, that as to any Swingline Loan, "Interest Payment Date" shall mean the day that such Loan is required to be repaid.

"Interest Period" shall mean (a) as to any LIBOR Borrowing, the period commencing on the date of such Borrowing, and ending on the numerically corresponding day (or, if there is no numerically corresponding day or if the date of the LIBOR Borrowing is the last day of any month, on the last day) in the calendar month that is 1, 2, 3, 6 or, subject to each Lender's approval, 9 or 12 months thereafter, as the Borrower or any applicable Subsidiary Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing and ending on the earliest of (i) the next succeeding March 31, June 30, September 30 or December 31, (ii) the Maturity Date and (iii) the date such Borrowing is refinanced with a Borrowing of a different Interest Rate Type in accordance with Section 2.8 or is prepaid in accordance with Section 2.15 and (c) as to any Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date specified in the Competitive Bids in which the offer to make the Fixed Rate Competitive Loans comprising such Borrowing were extended, which shall not be earlier than one day after the date of such Borrowing or later than 360 days after the date of such Borrowing; provided, however, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of LIBOR Loans only, such next succeeding Business Day would fall in the next

calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) no Interest Period may be selected which would extend beyond the Maturity Date. Interest shall accrue from, and including, the first day of an Interest Period to, but excluding, the last day of such Interest Period.

"Interest Rate Protection Agreement" shall mean any interest rate swap agreement, interest rate cap agreement or other similar financial agreement or arrangement.

"Interest Rate Type" when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, "Rate" shall include LIBOR, the Alternate Base Rate and the Fixed Rate.

"Issuance" shall mean with respect to any Letter of Credit, the issuance, amendment, renewal or extension of such Letter of Credit,provided that the reinstatement of any Letter of Credit shall not constitute an issuance of such Letter of Credit.

"Issuing Lender" shall mean, either JPMorgan Chase Bank or Bank of America, or in either case, any Affiliate thereof and such other Lenders or Affiliates thereof as may be designated in writing by the Borrower which agree in writing to act as such in accordance with the terms hereof (including any Existing Issuing Lender).

"Joinder Agreement" shall have the meaning assigned to such term in Section 10.9(b).

"JPMorgan Chase Bank" shall mean JPMorgan Chase Bank, N.A.

"Landal" shall mean Landal Greenparks Holding B.V.

"Landal Facilities" shall mean one or more debt facilities, extensions of credit, loans, securities issuances, commercial paper facilities or other forms of Indebtedness providing for revolving credit loans, term loans, receivables financing, (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), notes, letters of credit, debentures, mortgages or any other form of financing entered into by Landal or any of its Subsidiaries or any successor entity (whether by asset sale, merger or otherwise) to Landal or any of its Subsidiaries, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced in whole or in part from time to time.

"L/C Exposure" shall mean, at any time, the amount expressed in Dollars of the aggregate face amount of all drafts which may then or thereafter be presented by beneficiaries under all Letters of Credit then outstanding plus (without duplication) the face amount of all drafts which have been presented under Letters of Credit but have not yet been paid or have been paid but not reimbursed; *provided* that L/C Exposure shall not exceed $350,000,000 at any time.

"Lender and "Lenders" is defined in the preamble and includes any assignee of a Lender permitted pursuant to Section 10.3(b).

"Lending Office" shall mean, with respect to any of the Lenders, the branch or branches (or affiliate or affiliates) from which any such Lender's LIBOR Loans, Fixed Rate Competitive Loans or ABR Loans, as the case may be, are made or maintained and for the account of which all payments of principal of, and interest on, such Lender's LIBOR Loans, Fixed Rate

Competitive Loans or ABR Loans are made, as notified to the Administrative Agent from time to time.

"Letter of Credit" shall have the meaning assigned to such term in Section 2.26.

"Letter of Credit Application" shall mean an application and agreement for the issuance or amendment of a letter of credit in the form from time to time in use by the Issuing Lender.

"Letter of Credit Fee" shall have the meaning assigned to such term in Section 2.26.

"LIBOR" shall mean:

(a) for any Interest Period with respect to a LIBOR Loan, the rate per annum equal to (i) the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or such other commercially available source providing quotations of BBA LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two London Banking Days prior to the commencement of such Interest Period, for Dollar deposits or deposits in any Optional Currency, as applicable, (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period or (ii) if such rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars or deposits in any Optional Currency, as applicable, for delivery on the first day of such Interest Period in same day funds in the approximate amount of the LIBOR Loan being made, continued or converted and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two London Banking Days prior to the commencement of such Interest Period; and

(b) for any interest calculation with respect to an ABR Loan on any date, the rate per annum equal to (i) BBA LIBOR, at approximately 11:00 a.m. London time determined two London Banking days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the date of determination in same day funds in the approximate amount of the ABR Loan being made or maintained and with a term equal to one month would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at the date and time of determination

"LIBOR Borrowing" shall mean a Borrowing comprised of LIBOR Loans.

"LIBOR Competitive Loan" shall mean a Competitive Loan (either a Domestic LIBOR Competitive Loan or a Local LIBOR Competitive Loan) bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Section 2.

"LIBOR Loan" shall mean any LIBOR Competitive Loan or LIBOR Revolving Credit Loan.

"LIBOR Revolving Credit Loan" shall mean any Revolving Credit Loan bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Section 2.

"LIBOR Spread" shall mean, at any date or any period of determination, the LIBOR Spread that would be in effect on such date or during such period pursuant to the applicable chart

set forth in Section 2.24 based on the rating of the Borrower's senior non-credit enhanced unsecured long-term debt.

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

"Loan" shall mean any loan made by any Lender pursuant to this Agreement.

"Loan Modification Offer" shall have the meaning assigned to such term in Section 2.29.

"Loan Parties" shall mean the Borrower and the Subsidiary Borrowers.

"Local Competitive Loan" shall mean any Competitive Loan which is a Local LIBOR Competitive Loan or a Local Fixed Rate Competitive Loan.

"Local Facility Amendment" shall have the meaning assigned to such term in Section 2.27.

"Local LIBOR Competitive Loan" shall mean any LIBOR Competitive Loan denominated in any Optional Currency made to the Borrower or any Subsidiary Borrower in the jurisdiction in which such Optional Currency is the national currency.

"Local Fixed Rate Competitive Loan" shall mean any Fixed Rate Competitive Loan denominated in any Optional Currency made to the Borrower or any Subsidiary Borrower in the jurisdiction in which such Optional Currency is the national currency.

"Margin" shall mean, as to any LIBOR Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to four decimal places) to be added to, or subtracted from, LIBOR in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Margin Stock" shall be as defined in Regulation U of the Board.

"Material Adverse Effect" shall mean a material adverse effect on the business, assets, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries, taken as a whole, other than any change, effect or circumstance to the extent resulting from (i) disruptions in, or the inability of companies engaged in businesses similar to those engaged in by the Borrower and its Subsidiaries to consummate financings in, the asset backed securities or conduit market or (ii) tax and related liabilities relating to Cendant's taxable years 2003 through 2006 arising under the Borrower's tax sharing agreement with Cendant; provided that after giving pro forma effect to the payments of such liabilities the Borrower would be in pro forma compliance with the covenants contained in Sections 6.5 and 6.6.

"Material Subsidiary" shall mean any Subsidiary (other than a Securitization Entity) of the Borrower which, together with its Subsidiaries (other than Securitization Entities) at the time of determination hold, or, solely with respect to Sections 7(f) and 7(g), any group of Subsidiaries which, if merged into each other at the time of determination would hold, assets constituting 15%

or more of Consolidated Assets or accounts for 15% or more of Consolidated EBITDA for the Rolling Period immediately preceding the date of determination.

"Maturity Date" shall mean October 1, 2013 as such date may be extended pursuant to Section 2.29.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"New Lender" shall have the meaning assigned to such term in Section 2.14(e).

"New Local Facility" shall have the meaning assigned to such term in Section 2.27. The aggregate Dollar Equivalent amounts of such New Local Facilities shall not exceed $200,000,000 at any time.

"New Local Facility Lender" shall have the meaning assigned to such term in Section 2.27.

"New Zealand Dollars" or "NZ$" shall mean the lawful money of New Zealand.

"Non-Consenting Lender" shall have the meaning assigned to such term in Section 10.17.

"Non-Recourse Indebtedness" shall mean a transaction or series of transactions pursuant to which the Borrower or any other Person (i) issues Indebtedness secured by, payable from or representing beneficial interests in assets of such Person for which neither the Borrower nor any of its Material Subsidiaries is liable in any way other than pursuant to Standard Securitization Undertakings (unless such liability of the Borrower or such Material Subsidiary is otherwise permitted to be incurred hereunder by the Borrower or such Material Subsidiary) or (ii) transfers or grants a security interest in assets of such Person to any Person that finances the acquisition of such assets through the issuance of securities or the incurrence of Indebtedness or issues obligations secured by such assets.

"Non-Reinstatement Deadline" shall have the meaning assigned to such term in Section 2.26(j).

"Notes" shall mean any promissory notes evidencing Loans.

"Obligations" shall mean the obligation of the Borrower and any Subsidiary Borrower to make due and punctual payment of principal of, and interest on, the Loans, the Facility Fee, reimbursement obligations in respect of Letters of Credit and all other monetary obligations of the Borrower or any Subsidiary Borrower to the Administrative Agent, any Issuing Lender or any Lender under this Agreement or the Fundamental Documents (including under the New Local Facilities).

"Offered Increase Amount" shall have the meaning assigned to such term in Section 2.14(d).

"Optional Currency" shall mean, at any time, Australian Dollars, Canadian Dollars, Euros, New Zealand Dollars, Pounds and Yen, so long as such currency is freely traded and

convertible into Dollars in the London Interbank market and a Dollar Equivalent thereof can be calculated.

"Other Taxes" shall mean any and all present or future stamp or documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or the issuance of any Letters of Credit or any Fundamental Document.

"Participant" shall have the meaning assigned to such term in Section 10.3(g).

"Participant Register" shall have the meaning assigned to such term in Section 10.3(g).

"Participating Member State" shall mean a member of the European Communities that adopts or has adopted the Euro as its currency in accordance with EMU Legislation.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any successor thereto.

"Permitted Amendments" shall have the meaning assigned to such term in Section 2.29(c).

"Permitted Encumbrances" shall mean Liens permitted under Section 6.3 hereof.

"Person" shall mean any natural person, corporation, division of a corporation, partnership, limited liability company, trust, joint venture, company, estate, unincorporated organization or government or any agency or political subdivision thereof.

"Plan" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pounds" or "£" or "Pound Sterling" shall mean the lawful money of the United Kingdom.

"Prime Rate" shall have the meaning assigned to such term in the definition of "Alternate Base Rate".

"Pro Forma Balance Sheet" shall have the meaning assigned to such term in Section 3.4(a).

"Pro Forma Basis" shall mean in connection with any transaction for which a determination on a Pro Forma Basis is required to be made hereunder, that such determination shall be made (i) after giving effect to any issuance of Indebtedness, any acquisition, any disposition or any other transaction (as applicable) and (ii) assuming that the issuance of Indebtedness, acquisition, disposition or other transaction and, if applicable, the application of any proceeds therefrom, occurred at the beginning of the most recent Rolling Period ending at least thirty days prior to the date on which such issuance of Indebtedness, acquisition, disposition or other transaction occurred.

"Ratable Assignment" shall have the meaning assigned to such term in Section 10.3(b).

"Refunded Swingline Loan" shall have the meaning assigned to such term in Section 2.6(b).

"Register" shall have the meaning assigned to such term in Section 10.3(e).

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

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

"Responsible Officer" shall mean the chief executive officer, president, chief accounting officer, chief financial officer, treasurer or assistant treasurer of the Borrower.

"Required Lenders" shall mean at any time, the holders of more than 50% of (a) until the Closing Date, the Commitments then in effect and (b) thereafter, the Total Revolving Commitments then in effect or, if the Total Revolving Commitment has been terminated in its entirety, the Revolving Credit Exposure. The Revolving Commitment of, and the portion of the Revolving Credit Exposure attributable to, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Revolving Commitment" shall mean with respect to any Lender, the commitment of such Lender, if any, to make Revolving Credit Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth (i) under the heading "Revolving Commitment" opposite such Lender's name on Schedule 2.1 hereto and/or (ii) in any applicable Assignment and Acceptance to which it may be a party, as the case may be, as such Lender's Revolving Commitment may be permanently terminated, reduced or increased from time to time pursuant to Section 2.14 or Section 7. The Revolving Commitments shall automatically and permanently terminate on the earlier of (a) the Maturity Date or (b) the date of termination in whole pursuant to Section 2.14 or Section 7.

"Revolving Commitment Increase" shall have the meaning assigned to such term in Section 2.28(a).

"Revolving Commitment Increase Lender" shall have the meaning assigned to such term in Section 2.28(a).

"Revolving Credit Borrowing" shall mean a Borrowing consisting of simultaneous Revolving Credit Loans from each of the Revolving Lenders.

"Revolving Credit Borrowing Request" shall mean a request made pursuant to Section 2.3 in the form of Exhibit E.

"Revolving Credit Exposure" shall mean, at any time, the sum of (A) the aggregate outstanding principal amount of all Revolving Credit Loans made by all Lenders plus (B) the aggregate Dollar Equivalent outstanding principal amount of all Competitive Loans made by all Lenders plus (C) the then current L/C Exposure plus (D) the aggregate outstanding principal amount of all Swingline Loans.

"Revolving Credit Loans" shall have the meaning given such term in Section 2.1(b). Each Revolving Credit Loan shall be a LIBOR Revolving Credit Loan or an ABR Loan.

"Revolving Extensions of Credit" shall mean, as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Credit Loans held by such Lender then outstanding, (b) such Lender's Revolving Percentage of the Revolving L/C Exposure then outstanding and (c) such Lender's Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding. In addition, any extension of credit by a Revolving Lender under a New Local Facility shall constitute a Revolving Extension of Credit by such Lender.

"Revolving Facility" shall mean the Revolving Commitments and the extensions of credit thereunder.

"Revolving L/C Exposure" shall mean, at any time, L/C Exposure attributable to Letters of Credit.

"Revolving Lender" shall mean each Lender that has a Revolving Commitment or that holds Revolving Credit Loans.

"Revolving Percentage" shall mean, as to any Revolving Lender at any time, the percentage which such Lender's Revolving Commitment then constitutes of the Total Revolving Commitment or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender's Revolving Extensions of Credit then outstanding constitutes of the aggregate Revolving Extensions of Credit of all Revolving Lenders.

"Rolling Period" shall mean with respect to any fiscal quarter, such fiscal quarter and the three immediately preceding fiscal quarters considered as a single accounting period.

"S&P" shall mean Standard & Poor's.

"Securitization Entity" shall mean any Subsidiary or other Person engaged solely in the business of effecting asset securitization transactions and related activities.

"Securitization Indebtedness" shall mean (i) Indebtedness incurred by a Securitization Entity that does not permit or provide for recourse for principal and interest (other than Standard Securitization Undertakings) to the Borrower or any Subsidiary of the Borrower (other than a Securitization Entity) or any property or asset of the Borrower or any Subsidiary of the Borrower (other than the property or assets of, or any equity interests or other securities issued by, a Securitization Entity) and (ii) Indebtedness incurred by the Borrower or a Material Subsidiary that does not permit or provide for recourse for principal and interest (other than Standard Securitization Undertakings) to the Borrower or any Subsidiary of the Borrower except for recourse to the specific assets securing such Indebtedness.

"SPC" shall have the meaning assigned to such term in Section 10.3(k).

"Spin-Off" shall mean the distribution to the shareholders of Cendant Corporation of all of the common stock of the Borrower and the transactions related thereto as described on Schedule 1.1 to the Existing Credit Agreement.

"Standard Securitization Undertakings" shall mean representations, warranties (and any related repurchase obligations), servicer obligations, guaranties, repurchase obligations, covenants and indemnities entered into by the Borrower or any Subsidiary of the Borrower of a type that are reasonably customary in securitizations.

"Statutory Reserves" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority to which the Administrative Agent or any Lender is subject, for Eurocurrency Liabilities (as defined in Regulation D). Such reserve percentages shall include those imposed under Regulation D. LIBOR Loans shall be deemed to constitute Eurocurrency Liabilities and as such shall be deemed to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subsidiary" shall mean with respect to any Person, any corporation, association, joint venture, partnership or other business entity (whether now existing or hereafter organized) of which at least a majority of the voting stock or other ownership interests having ordinary voting power for the election of directors (or the equivalent) is, at the time as of which any determination is being made, owned or controlled by such Person or one or more subsidiaries of such Person or by such Person and one or more subsidiaries of such Person.

"Subsidiary Borrower" shall mean any Subsidiary of the Borrower that becomes a party hereto pursuant to Section 10.9(b)(i) until such time as such Subsidiary Borrower is removed as a party hereto pursuant to Section 10.9(b)(ii).

"Subsidiary Borrower Obligations" shall mean the Obligations of any Subsidiary Borrower.

"Swingline Commitment" shall mean the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.5 in an aggregate principal amount at any one time outstanding not to exceed $100,000,000.

"Swingline Exposure" shall mean, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Revolving Percentage of the total Swingline Exposure at such time.

"Swingline Lender" shall mean Bank of America, in its capacity as the lender of Swingline Loans.

"Swingline Loans" shall have the meaning given such term in Section 2.5.

"Swingline Participation Amount" shall have the meaning given such term in Section 2.6.

"Syndication Agent" is defined in the preamble.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Total Revolving Commitment" shall mean, at any time, the aggregate amount of the Lenders' Revolving Commitments as in effect at such time. The initial Total Revolving Commitment is $950,000,000.

"Treaty" shall mean the Treaty establishing the European Economic Community, being the Treaty of Rome of March 25, 1957, as amended by the Single European Act 1987, the Maastricht Treaty (which was signed at Maastricht on February 7, 1992 and came into force on November 1, 1993), the Amsterdam Treaty (which was signed at Amsterdam on October 2, 1997 and came into force on May 1, 1999) and the Nice Treaty (which was signed on February 26, 2001), each as amended from time to time and as referred to in legislative measures of the European Union for the introduction of, changeover to or operating of the Euro in one or more member states.

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"WVRAP" shall mean Wyndham Vacation Resorts Asia Pacific Pty. Ltd.

"WVRAP Facilities" shall mean one or more debt facilities, extensions of credit, loans, securities issuances, commercial paper facilities or other forms of Indebtedness providing for revolving credit loans, term loans, receivables financing, (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), notes, letters of credit, debentures, mortgages or any other form of financing entered into by WVRAP or any of its Subsidiaries or any successor entity (whether by asset sale, merger or otherwise) to WVRAP or any of its Subsidiaries, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced in whole or in part from time to time.

"Yen" and "¥" shall mean the lawful money of Japan.

2. THE LOANS

SECTION 2.1. Commitments.

(a) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Revolving Lender agrees, severally and not jointly, to make revolving credit loans ("Revolving Credit Loans") in Dollars to the Borrower or any Domestic Subsidiary Borrower, at any time and from time to time on and after the Closing Date and until the earlier of the Maturity Date and the termination of the Revolving Commitment of such Lender, in an aggregate principal amount at any time outstanding not to exceed such Lender's Revolving Commitment minus the sum of such Lender's pro rata share of (i) the then current Revolving L/C Exposure and (ii) the aggregate principal amount of the Swingline Loans outstanding at such time plus the amount by which the Competitive Loans outstanding at such time shall be deemed to have used such Lender's Revolving Commitment pursuant to Section 2.20 subject, however, to the conditions that (a) at no time shall (i) the Revolving Credit Exposure exceed (ii) the Total Revolving Commitment and (b) at all times the outstanding aggregate principal amount of all Revolving Credit Loans made by each Revolving Lender shall equal the product of (i) the percentage that its Revolving Commitment represents of the Total Revolving Commitment times (ii) the outstanding aggregate principal amount of all Revolving Credit Loans made pursuant to a notice given by the Borrower or any Subsidiary Borrower under Section 2.3.

The Revolving Commitments of the Lenders may be terminated or reduced from time to time pursuant to Section 2.14 or Section 7.

(b) Within the foregoing limits, the Borrower and any Domestic Subsidiary Borrower may borrow, pay or repay and reborrow Revolving Credit Loans hereunder, on and after the Closing Date and prior to the Maturity Date, upon the terms and subject to the conditions and limitations set forth herein.

SECTION 2.2. Loans.

(a) Each Revolving Credit Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their Commitmentsprovided, however, that the failure of any Lender to make any Revolving Credit Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.7. The Loans comprising any Borrowing shall be (i) in the case of Competitive Loans and LIBOR Loans, in an aggregate principal amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) in the case of ABR Loans, in an aggregate principal amount that is an integral multiple of $500,000 and not less than $5,000,000 (or, in the case of clause (i) and clause (ii) above with respect to Revolving Credit Loans, if less, an aggregate principal amount equal to the remaining balance of the available Total Revolving Commitment). ABR Loans shall be denominated only in Dollars.

(b) Each Competitive Borrowing shall be comprised entirely of LIBOR Competitive Loans or Fixed Rate Competitive Loans, and each Revolving Credit Borrowing shall be comprised entirely of LIBOR Revolving Credit Loans or ABR Loans, as the Borrower or any Subsidiary Borrower may request pursuant to Section 2.7 or 2.3, as applicable. Each Lender may at its option make any LIBOR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that any exercise of such option shall not affect the obligation of the Borrower or such Subsidiary Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Interest Rate Type may be outstanding at the same time; provided, however, that neither the Borrower nor any Subsidiary Borrower shall be entitled to request any Borrowing that, if made, would result in an aggregate of more than nine separate Revolving Credit Loans of any Lender being outstanding hereunder at any one time. For purposes of the calculation required by the immediately preceding sentence, LIBOR Revolving Credit Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans and all Loans of a single Interest Rate Type made on a single date shall be considered a single Loan if such Loans have a common Interest Period.

(c) Subject to Section 2.3, each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by making funds available at the Funding Office no later than 1:00 P.M. New York City time (2:00 P.M. New York City time, in the case of an ABR Borrowing) in Federal or other immediately available funds. Upon receipt of the funds to be made available by the Lenders to fund any Borrowing hereunder, the Administrative Agent shall disburse such funds by depositing them into an account of the Borrower or the relevant Subsidiary Borrower maintained with the Administrative Agent. Competitive Loans shall be made by the Lender or Lenders whose Competitive Bids therefor are accepted pursuant to Section 2.7 in the amounts so accepted and Revolving Credit Loans shall be made by the Revolving Lenders, respectively pro rata in accordance with Section 2.1 and this Section 2.2.

(d) Notwithstanding any other provision of this Agreement, neither the Borrower nor any Subsidiary Borrower shall be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.3. Revolving Credit Borrowing Procedure.

In order to effect a Revolving Credit Borrowing, the Borrower or any Domestic Subsidiary Borrower shall hand deliver or telecopy to the Administrative Agent a Borrowing notice in the form of Exhibit E (a) in the case of a LIBOR Borrowing, not later than 12:00 Noon, New York City time, three Business Days before a proposed Revolving Credit Borrowing, and (b) in the case of an ABR Borrowing, not later than 12:00 Noon, New York City time, on the day of a proposed Revolving Credit Borrowing. No Fixed Rate Competitive Loan shall be requested or made pursuant to a Revolving Credit Borrowing Request. Such notice shall be irrevocable and shall in each case specify (a) whether the Revolving Credit Borrowing then being requested is to be a LIBOR Borrowing or an ABR Borrowing, (b) the date of such Revolving Credit Borrowing (which shall be a Business Day) and the amount thereof and (c) if such Borrowing is to be a LIBOR Borrowing, the Interest Period with respect thereto. If no election as to the Interest Rate Type of a Revolving Credit Borrowing is specified in any such notice, then the requested Revolving Credit Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any LIBOR Borrowing is specified in any such notice, then the Borrower or the relevant Subsidiary Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower or the relevant Subsidiary Borrower shall not have given notice in accordance with this Section 2.3 of its election to refinance a Revolving Credit Borrowing prior to the end of the Interest Period in effect for such Borrowing, then the Borrower or the relevant Subsidiary Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to refinance such Borrowing with a LIBOR Borrowing of one month's duration (or at any time after the occurrence, and during the continuation, of a Default or an Event of Default, an ABR Borrowing). The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.3 and of each Lender's portion of the requested Revolving Credit Borrowing.

SECTION 2.4. Use of Proceeds.

The proceeds of the Loans shall be used (i) to refinance the Existing Credit Agreement and to pay fees and expenses related thereto and (ii) for working capital and general corporate purposes of the Borrower and its Subsidiaries. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X of the Board.

SECTION 2.5. Swingline Commitment.

(a) Subject to the terms and conditions hereof, the Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time on and after the Closing Date and until the earlier of the Maturity Date and the termination of the Revolving Commitments by making swing line loans ("Swingline Loans") in Dollars to the Borrower; provided that (i) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect (notwithstanding that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lender's other outstanding Revolving Credit Loans, may exceed the Swingline Commitment then in effect) and (ii) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the Revolving Credit Exposure exceed the Total Revolving Commitment. On and after the Closing Date and until the earlier of the Maturity Date and the termination of the Revolving Commitments, the Borrower may use the Swingline Commitment by borrowing, repaying and

reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only.

(b) The Borrower shall repay to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two Business Days after such Swingline Loan is made; provided that on each date that a Revolving Credit Loan is borrowed, the Borrower shall repay all Swingline Loans then outstanding.

(c) The Swingline Lender shall not be required to make any Swingline Loan if any Lender is a Defaulting Lender unless (i) the Swingline Lender has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the Swingline Lender (in its sole discretion) with the Borrower or such Lender to eliminate the Swingline Lender's actual or potential Fronting Exposure (after giving effect to Section 2.31(a)(iv)) with respect to the Defaulting Lender arising from either the Swingline Loan then proposed to be made or that Swingline Loan and all other Swingline Loans as to which the Swingline Lender has Fronting Exposure, as it may elect in its sole discretion or (ii) the Fronting Exposure resulting from such Defaulting Lender has been reallocated pursuant to Section 2.31(a)(iv).

SECTION 2.6. Procedure for Swingline Borrowing; Refunding of Swingline Loans.

(a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans it shall give the Swingline Lender irrevocable telephonic notice confirmed promptly in writing (which telephonic notice must be received by the Swingline Lender not later than 2:00 P.M., New York City time, on the day of the proposed Borrowing), specifying (i) the amount to be borrowed and (ii) the date of such notice which shall be the requested borrowing date (which shall be a Business Day). Each borrowing under the Swingline Commitment shall be in an amount equal to $500,000 or a whole multiple of $100,000 in excess thereof. Not later than 3:00 P.M., New York City time, on the date of the Borrowing specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the amount of the Swingline Loan to be made by the Swingline Lender. The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such borrowing date by depositing such proceeds in the account of the Borrower with the Administrative Agent or such other account as the Borrower may specify to the Administrative Agent in writing on such borrowing date in immediately available funds; provided, however, the proceeds of any Swingline Loans may not be used to repay any other Loans.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), on one Business Day's notice given by the Swingline Lender no later than 12:00 Noon, New York City time, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Credit Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Credit Loan available to the Administrative Agent at the Funding Office in immediately available funds, not later than 10:00 A.M., New York City time, one Business Day after the date of such notice. The proceeds of such Revolving Credit Loans shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans. The Borrower irrevocably authorizes the Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account)

in order to immediately pay the amount of such Refunded Swingline Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans.

(c) If prior to the time a Revolving Credit Loan would have otherwise been made pursuant to Section 2.6(b), one of the events described in Section 7(f) or (g) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Credit Loans may not be made as contemplated by Section 2.6(b), each Revolving Lender shall, on the date such Revolving Credit Loan was to have been made pursuant to the notice referred to in Section 2.6(b), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentagetimes (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Credit Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided, however, that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.6(b) and to purchase participating interests pursuant to Section 2.6(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 4, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Fundamental Document by the Borrower, any other Loan Party or any other Revolving Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

SECTION 2.7. Competitive Bid Procedure — Competitive Loans.

(a) In order to request Competitive Bids for Competitive Loans, the Borrower or any Subsidiary Borrower shall hand deliver or telecopy to the Administrative Agent a duly completed Competitive Bid Request in the form of Exhibit D-1, to be received by the Administrative Agent (i) in the case of a LIBOR Competitive Loan, not later than 10:00 A.M., New York City time, four Business Days before a proposed Competitive Borrowing, (ii) in the case of a Local Fixed Rate Competitive Loan, not later than 10:00 A.M., New York City time, four Business Day before a proposed Competitive Borrowing and (iii) in the case of a Domestic Fixed Rate Competitive Loan, not later than 10:00 A.M., New York City time, four Business Days before a proposed Competitive Borrowing. No ABR Loan shall be requested in, or made pursuant to, a Competitive Bid Request. A Competitive Bid Request that does not conform substantially to the format of Exhibit D-1 may be rejected in the Administrative Agent's sole discretion, and the Administrative Agent shall promptly notify the Borrower or the relevant Subsidiary Borrower of such rejection by telecopier. Such request for Competitive Bids shall in each case refer to this Agreement and specify (i) whether the Borrowing then being requested is to be a LIBOR Borrowing

or a Fixed Rate Borrowing, (ii) the date of such Borrowing (which shall be a Business Day) and the aggregate principal amount thereof, which shall be in a minimum principal amount of $10,000,000 (or the Dollar Equivalent thereof) and in an integral multiple of $5,000,000 (or the Dollar Equivalent thereof) (or if less, an aggregate principal amount equal to the remaining balance of the available Total Revolving Commitment), (iii) the Interest Period with respect thereto (which may not end after the Maturity Date), (iv) the Currency with respect thereto and (v) if such requested Borrowing is to consist of Local Competitive Loans, the jurisdiction in which such requested Borrowing is to be made. Promptly after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Administrative Agent shall invite by telecopier (in the form set forth in Exhibit D-2) the Revolving Lenders to bid, on the terms and subject to the conditions of this Agreement, to make Competitive Loans pursuant to the Competitive Bid Request.

(b) Each Revolving Lender may, in its sole discretion, make one or more Competitive Bids for Competitive Loans to the Borrower or any Subsidiary Borrower responsive to a Competitive Bid Request. Each Competitive Bid for a Competitive Loan by a Revolving Lender must be received by the Administrative Agent via telecopier, in the form of Exhibit D-3, (i) in the case of a LIBOR Competitive Loan, not later than 9:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing, (ii) in the case of a Local Fixed Rate Competitive Loan, not later than 9:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing, (iii) in the case of a Domestic Fixed Rate Competitive Loan, not later than 9:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing. Multiple bids will be accepted by the Administrative Agent. Competitive Bids for Competitive Loans that do not conform substantially to the format of Exhibit D-3 may be rejected by the Administrative Agent after conferring with, and upon the instruction of, the Borrower or the relevant Subsidiary Borrower, and the Administrative Agent shall notify the Lender making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid for a Competitive Loan shall refer to this Agreement and specify (i) the principal amount (which shall be in a minimum principal amount of $10,000,000 (or the Dollar Equivalent thereof) and in an integral multiple of $5,000,000 (or the Dollar Equivalent thereof) and which may equal the entire principal amount of the Competitive Borrowing requested by the Borrower or the relevant Subsidiary Borrower) of the Competitive Loan or Loans that the Lender is willing to make to the Borrower or the relevant Subsidiary Borrower, (ii) the Competitive Bid Rate or Rates at which the Lender is prepared to make the Competitive Loan or Loans, (iii) the Interest Period or Interest Periods with respect thereto and (iv) in the case of a Local Competitive Loan, the location of and contact information for the lending office. If any Revolving Lender shall elect not to make a Competitive Bid, such Lender shall so notify the Administrative Agent via telecopier (i) in the case of LIBOR Competitive Loans, not later than 9:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing, (ii) in the case of Local Fixed Rate Competitive Loans, not later than 9:30 A.M., New York City time, three Business Days before the proposed Competitive Borrowing and (iii) in the case of Domestic Fixed Rate Competitive Loans, not later than 9:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing; provided, however, that failure by any Revolving Lender to give such notice shall not cause such Lender to be obligated to make any Competitive Loan as part of such proposed Competitive Borrowing. A Competitive Bid for a Competitive Loan submitted by a Lender pursuant to this paragraph (b) shall be irrevocable.

(c) The Administrative Agent shall promptly notify the Borrower or the relevant Subsidiary Borrower by telecopier of all the Competitive Bids made, the Competitive Bid Rate or Rates and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Lender that made each bid. The Administrative Agent shall send a copy of all Competitive Bids to the Borrower or the relevant Subsidiary Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.7.

(d) The Borrower or the relevant Subsidiary Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. The Borrower or the relevant Subsidiary Borrower shall notify the Administrative Agent by telephone, promptly confirmed by telecopier in the form of a Competitive Bid Accept/Reject Letter whether and to what extent it has decided to accept or reject any or all of the bids referred to in paragraph (c) above, (i) in the case of a LIBOR Competitive Loan, not later than 10:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing, (ii) in the case of a Local Fixed Rate Borrowing, not later than 10:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing and (iii) in the case of a Domestic Fixed Rate Borrowing, not later than 10:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing; provided, however, that (A) the failure by the Borrower or the relevant Subsidiary Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (c) above, (B) the Borrower or the relevant Subsidiary Borrower shall not accept a bid made at a particular Competitive Bid Rate if the Borrower or the relevant Subsidiary Borrower has decided to reject a bid made at a lower Competitive Bid Rate, (C) the aggregate amount of the Competitive Bids accepted by the Borrower or the relevant Subsidiary Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (D) if the Borrower or the relevant Subsidiary Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted by the Borrower or the relevant Subsidiary Borrower to exceed the amount specified in the Competitive Bid Request, then the Borrower or such Subsidiary Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted at lower Competitive Bid Rates with respect to such Competitive Bid Request (it being understood that acceptance in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate) and (E) except pursuant to clause (D) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of $10,000,000 (or the Dollar Equivalent thereof) and an integral multiple of $5,000,000 (or the Dollar Equivalent thereof) (or if less, an aggregate principal amount equal to the remaining balance of the available Total Revolving Commitment); provided further, however, that if a Competitive Loan must be in an amount less than $10,000,000 because of the provisions of clause (D) above, such Competitive Loan shall be in a minimum principal amount of $1,000,000 (or the Dollar Equivalent thereof) or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause (D), the amounts shall be rounded to integral multiples of $1,000,000 (or the Dollar Equivalent thereof) in a manner that shall be in the discretion of the Borrower or the relevant Subsidiary Borrower. A notice given by the Borrower or the relevant Subsidiary Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Lender whether its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy sent by the Administrative Agent, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its bid has been accepted. If the Borrower accepts one or more offers made by any Lender or Lenders, each such Lender shall, no later than 10:30 AM, New York City time, on the applicable day of each proposed Competitive Borrowing, make funds under its applicable Competitive Loan available to the Borrower in full. Upon repayment by the Borrower of any Competitive Loans, all payments shall be made directly to each respective Lender.

(f) No Competitive Bid Request shall be made within ten Business Days (or upon reasonable notice to the Lenders, such other number of days as Borrower and Administrative Agent may agree) of any other Competitive Bid Request. The Borrower and the Subsidiary Borrowers shall not be entitled to have more than four Competitive Bid Loans outstanding at any time.

(g) If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Revolving Lender, it shall submit such bid directly to the Borrower or the relevant Subsidiary Borrower one quarter of an hour earlier than the latest time at which the other Revolving Lenders are required to submit their bids to the Administrative Agent pursuant to paragraph (b) above.

(h) The Borrower shall pay a non-refundable competitive loan fee in an amount equal to $2,500 for each request by the Borrower or a Subsidiary Borrower for a Competitive Loan, regardless of whether such Competitive Loan is borrowed, such fees to be payable on the date of such request.

(i) All notices required by this Section 2.7 shall be given in accordance with Section 10.1.

SECTION 2.8. Refinancings.

The Borrower or any Subsidiary Borrower may refinance all or any part of any Borrowing with a Borrowing of the same Currency and of the same Interest Rate Type (or of the same or different Interest Rate Type, in the case of Loans denominated in Dollars) made pursuant to Section 2.7 or pursuant to a notice under Section 2.3, as applicable, subject to the conditions and limitations set forth herein and elsewhere in this Agreement, including refinancings of Competitive Borrowings with Revolving Credit Borrowings and Revolving Credit Borrowings with Competitive Borrowings; provided, however, that at any time after the occurrence, and during the continuation, of a Default or an Event of Default, a Borrowing (other than a Competitive Borrowing) or portion thereof may only be refinanced with an ABR Borrowing. Any Borrowing or part thereof so refinanced shall be deemed to be repaid in accordance with Section 2.10 with the proceeds of a new Borrowing hereunder and the proceeds of the new Borrowing, to the extent they do not exceed the principal amount of the Borrowing being refinanced, shall not be paid by the Lenders to the Administrative Agent or by the Administrative Agent to the Borrower or the relevant Subsidiary Borrower pursuant to Section 2.2(c); provided, however, that (a) if the principal amount extended by a Lender in a refinancing is greater than the principal amount extended by such Lender in the Borrowing being refinanced, then such Lender shall pay such difference to the Administrative Agent for distribution to the Borrower or the relevant Subsidiary Borrower or any Lenders described in clause (b) below, as applicable, (b) if the principal amount extended by a Lender in the Borrowing being refinanced is greater than the principal amount being extended by such Lender in the refinancing, the Administrative Agent shall return the difference to such Lender out of amounts received pursuant to clause (a) above, and (c) to the extent any Lender fails to pay the Administrative Agent amounts due from it pursuant to clause (a) above, any Loan or portion thereof being refinanced with such amounts shall not be deemed repaid in accordance with this Section 2.08 and, to the extent of such failure, the Borrower or the relevant Subsidiary Borrower shall pay such amount to the Administrative Agent as required by Section 2.12; and (d) to the extent the Borrower or the relevant Subsidiary Borrower fails to pay to the Administrative Agent any amounts due in accordance with Section 2.12 as a result of the failure of a Lender to pay the Administrative Agent any amounts due as described in clause (c) above, the portion of any refinanced Loan deemed not repaid shall be deemed to be outstanding solely to the Lender which has failed to pay the Administrative Agent amounts due from it pursuant to clause (a) above to the full extent of such Lender's portion of such Loan.

SECTION 2.9. Fees.

(a) The Borrower agrees to pay to each Revolving Lender, through the Administrative Agent, on the 15th day (or, on the next Business Day, if the 15th day is not a Business Day) of the calendar month immediately following the end of each fiscal quarter, commencing with the fiscal quarter ending June 30, 2010, and on the date on which the Revolving Commitment of such Lender shall be terminated as provided herein, a facility fee (a "Facility Fee"), at the rate per annum from time to time in

effect in accordance with Section 2.24, on the average daily amount of the Revolving Commitment of such Lender, whether used or unused, during the preceding quarter (or shorter period commencing with the Closing Date, or ending with (i) the Maturity Date or (ii) any date on which the Revolving Commitment of such Lender shall be terminated). All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Revolving Lender shall commence to accrue on the Closing Date, shall be payable in arrears and shall cease to accrue on the earlier of the Maturity Date and the termination of the Commitment of such Lender as provided herein.

(b) The Borrower agrees to pay the Administrative Agent the fees in the amounts and on the dates as set forth in any written and executed fee agreements with the Administrative Agent.

(c) All fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Lenders. Once paid, none of the fees shall be refundable under any circumstances.

SECTION 2.10. Repayment of Loans; Evidence of Debt

(a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Credit Loan of such Lender made to the Borrower on the Maturity Date for such Loans and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan in accordance with Section 2.5(b), or in each case, on such earlier date on which the Loans become due and payable pursuant to Section 7. The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans made to the Borrower from time to time outstanding from the Closing Date until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.11. Each Subsidiary Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Credit Loan of such Lender made to such Subsidiary Borrower on the Maturity Date or on such earlier date on which Loans become due and payable pursuant to Section 7. Each Subsidiary Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans made to such Subsidiary Borrower from time to time outstanding from the Closing Date until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.11.

(b) The Borrower unconditionally promises to pay to the Administrative Agent, for the account of each Lender that makes a Competitive Loan to the Borrower, on the last day of the Interest Period applicable to such Competitive Loan, the principal amount of such Competitive Loan. The Borrower further unconditionally promises to pay interest on each such Competitive Loan for the period from and including the date of Borrowing of such Competitive Loan on the unpaid principal amount thereof from time to time outstanding at the applicable rate per annum determined as provided in, and payable as specified in, Section 2.11. Each Subsidiary Borrower unconditionally promises to pay to the Administrative Agent, for the account of each Lender that makes a Competitive Loan to such Subsidiary Borrower, on the last day of the Interest Period applicable to such Competitive Loan, the principal amount of such Competitive Loan made to such Subsidiary Borrower. Each Subsidiary Borrower further unconditionally promises to pay interest on each such Competitive Loan made to such Subsidiary Borrower for the period from and including the date of Borrowing of such Competitive Loan on the unpaid principal amount thereof from time to time outstanding at the applicable rate per annum determined as provided in, and payable as specified in, Section 2.11.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower and any Subsidiary Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(d) The Administrative Agent shall maintain the Register pursuant to Section 10.3(e), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder, the Interest Rate Type thereof and each Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower and any Subsidiary Borrower to each Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent hereunder from the Borrower or any Subsidiary Borrower and each Lender's share thereof.

(e) The entries made in the Register and the accounts of each Lender maintained pursuant to this Section 2.10 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower and any Subsidiary Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrower or any Subsidiary Borrower to repay (with applicable interest) the Loans made to the Borrower or the relevant Subsidiary Borrower by such Lender in accordance with the terms of this Agreement.

SECTION 2.11. Interest on Loans.

(a) Subject to the provisions of Section 2.12, the Loans comprising each LIBOR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to (i) in the case of each LIBOR Revolving Credit Loan, LIBOR for the Interest Period in effect for such Borrowing plus the applicable LIBOR Spread from time to time in effect and (ii) in the case of each LIBOR Competitive Loan, LIBOR for the Interest Period in effect for such Borrowing plus the Margin offered by the Lender making such Loan and accepted by the Borrower or the relevant Subsidiary Borrower pursuant to Section 2.7. Interest on each LIBOR Borrowing shall be payable on each applicable Interest Payment Date.

(b) Subject to the provisions of Section 2.12, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be) at a rate per annum equal to the Alternate Base Rate plus the applicable margin, if any, for ABR Loans from time to time in effect pursuant to Section 2.24.

(c) Subject to the provisions of Section 2.12, each Fixed Rate Competitive Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Lender making such Loan and accepted by the Borrower or the relevant Subsidiary Borrower pursuant to Section 2.7.

(d) Interest on each Loan shall be payable in arrears on each Interest Payment Date applicable to such Loan. The LIBOR or the Alternate Base Rate for each Interest Period or day within an Interest Period shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.12. Interest on Overdue Amounts.

If the Borrower or any Subsidiary Borrower shall default in the payment of the principal of, or interest on, any Loan or any other amount becoming due hereunder, the Borrower or such Subsidiary Borrower shall, at the request of the Required Lenders, from time to time pay interest, to the extent permitted by Applicable Law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before a judgment) at a rate equal to (a) in the case of the remainder of the then current Interest Period for any LIBOR Loan or Fixed Rate Competitive Loan, the rate applicable to such

Loan under Section 2.11 plus 2% per annum and (b) in the case of any other Loan or amount, the rate that would at the time be applicable to an ABR Loan under Section 2.11 plus 2% per annum.

SECTION 2.13. Alternate Rate of Interest.

In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a LIBOR Loan, the Administrative Agent shall have determined that Dollar deposits or deposits in the applicable Optional Currency in the amount of the requested principal amount of such LIBOR Loan are not generally available in the London Interbank market, or that the rate at which such Dollar deposits or deposits in the applicable Optional Currency are being offered will not adequately and fairly reflect the cost to any Lender of making or maintaining its portion of such LIBOR Loans during such Interest Period, or that reasonable means do not exist for ascertaining LIBOR, the Administrative Agent shall, as soon as practicable thereafter, give written or telecopier notice of such determination to the Borrower or the relevant Subsidiary Borrower and the Lenders. In the event of any such determination, until the Administrative Agent shall have determined that circumstances giving rise to such notice no longer exist, (a) any request by the Borrower or any Subsidiary Borrower for a LIBOR Competitive Loan pursuant to Section 2.7 shall be of no force and effect and shall be denied by the Administrative Agent and (b) any request by the Borrower or any Subsidiary Borrower for a LIBOR Borrowing pursuant to Section 2.3 shall be deemed to be a request for an ABR Loan. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error.

SECTION 2.14. Termination, Reduction and Increase of Revolving Commitments.

(a) The Revolving Commitments of all of the Revolving Lenders shall be automatically terminated on the Maturity Date.

(b) Subject to Section 2.15(b), upon at least one Business Day of prior written or telecopy notice to the Administrative Agent (which notice shall have been received not later than 12:00 Noon, New York City time), the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Total Revolving Commitment; provided, however, that (i) each partial reduction of the Total Revolving Commitment shall be in an integral multiple of $1,000,000 and in a minimum principal amount of $5,000,000 and (ii) the Borrower shall not be entitled to make any such termination or reduction that would reduce the Total Revolving Commitment to an amount less than the sum of the aggregate outstanding principal amount of the Revolving Credit Loans plus the aggregate outstanding principal amount of the Swingline Loans plus the then current L/C Exposure. Each notice delivered by the Borrower pursuant to this Section 2.14(b) shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case, such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(c) Except as otherwise set forth herein, each reduction in the Total Revolving Commitment hereunder shall be made ratably among the Lenders in accordance with their respective Revolving Commitments. The Borrower shall pay to the Administrative Agent for the account of the Revolving Lenders on the date of each termination or reduction in the Total Revolving Commitment, the Facility Fees on the amount of the Total Revolving Commitment so terminated or reduced accrued to the date of such termination or reduction.

(d) If the Total Revolving Commitment is less than $1,100,000,000 at any time (excluding any Incremental Facilities incurred under Section 2.28) and the Borrower wishes to increase

the aggregate Revolving Commitments at any time when no Default or Event of Default has occurred and is continuing, it shall notify the Administrative Agent in writing of the amount (the "Offered Increase Amount") of such proposed increase (such notice, a "Commitment Increase Notice"), and the Administrative Agent shall notify each Lender of such proposed increase and provide such additional information regarding such proposed increase as any Lender may reasonably request. The Borrower may, at its election, (i) offer one or more of the Lenders the opportunity to participate in all or a portion of the Offered Increase Amount pursuant to paragraph (f) below and/or (ii) with the consent of the Administrative Agent (which consent shall not be unreasonably withheld), offer one or more additional banks, financial institutions or other entities the opportunity to participate in all or a portion of the Offered Increase Amount pursuant to paragraph (e) below. Each Commitment Increase Notice shall specify which Lenders and/or banks, financial institutions or other entities the Borrower desires to participate in such Commitment increase. The Borrower or, if requested by the Borrower, the Administrative Agent, will notify such Lenders and/or banks, financial institutions or other entities of such offer.

(e) Any Eligible Assignee which the Borrower selects to offer participation in the increased Revolving Commitments and which elects to become a party to this Agreement and provide a Revolving Commitment in an amount so offered and accepted by it pursuant to Section 2.14(d)(ii) shall execute a New Revolving Lender Supplement with the Borrower and the Administrative Agent, substantially in the form of Exhibit G-1, whereupon such bank, financial institution or other Person (herein called a "New Lender") shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement, and Schedule 2.1 shall be deemed to be amended to add the name and Revolving Commitment of such New Lender, provided that the Revolving Commitment of any such new Lender shall be in an amount not less than $5,000,000.

(f) Any Revolving Lender which accepts an offer to it by the Borrower to increase its Revolving Commitment pursuant to Section 2.14(d)(i) shall, in each case, execute a Commitment Increase Supplement with the Borrower and the Administrative Agent, substantially in the form of Exhibit H, whereupon such Lender shall be bound by and entitled to the benefits of this Agreement with respect to the full amount of its Revolving Commitment as so increased, and Schedule 2.1 shall be deemed to be amended to so increase the Revolving Commitment of such Lender.

(g) Notwithstanding anything to the contrary in this Section 2.14, (i) in no event shall any transaction effected pursuant to this Section 2.14 cause the Total Revolving Commitment to exceed $1,100,000,000 (not including Incremental Term Loans and Revolving Commitment Increases) and (ii) no Lender shall have any obligation to increase its Revolving Commitment unless it agrees to do so in its sole discretion.

SECTION 2.15. Prepayment of Loans.

(a) Prior to the Maturity Date, the Borrower and any Subsidiary Borrower shall have the right at any time to prepay any Borrowing (other than a Competitive Borrowing), in whole or in part, subject to the requirements of Section 2.19 but otherwise without premium or penalty, upon prior written or telecopy notice to the Administrative Agent before 12:00 Noon, New York City, time at least one Business Day in the case of an ABR Loan and at least three Business Days in the case of a LIBOR Loan; provided, however, that each such partial prepayment shall be in an integral multiple of $1,000,000 and in a minimum aggregate principal amount of $5,000,000. Neither the Borrower nor any Subsidiary Borrower shall have the right to prepay any Competitive Borrowing without the consent of the relevant Lender.

(b) On any date when the sum of the Revolving Credit Exposure (after giving effect to any Borrowings effected on such date) exceeds the Total Revolving Commitment, the Borrower shall make a mandatory prepayment of the Revolving Credit Loans (or cause any Subsidiary Borrower to make such a prepayment) in such amount as may be necessary so that the Revolving Credit Exposure after giving effect to such prepayment does not exceed the Total Revolving Commitment then in effect. Any prepayments required by this paragraph shall be applied to outstanding ABR Loans up to the full amount thereof before they are applied to outstanding LIBOR Revolving Credit Loans.

(c) Each notice of prepayment pursuant to Section 2.15(a) shall specify the specific Borrowing(s), the prepayment date and the aggregate principal amount of each Borrowing to be prepaid, shall be irrevocable and shall commit the Borrower or the relevant Subsidiary Borrower to prepay such Borrowing(s) by the amount stated therein. All prepayments under this Section 2.15 shall be accompanied by accrued interest on the principal amount being prepaid, to the date of prepayment.

SECTION 2.16. Eurocurrency Reserve Costs.

The Borrower and any Subsidiary Borrower shall pay to the Administrative Agent for the account of each Lender, so long as such Lender shall be required under regulations of the Board to maintain reserves with respect to liabilities or assets consisting of, or including, Eurocurrency Liabilities (as defined in Regulation D of the Board), additional interest on the unpaid principal amount of each LIBOR Loan made to the Borrower or such Subsidiary Borrower by such Lender, from the date of such Loan until such Loan is paid in full, at an interest rate per annum equal at all times during the Interest Period for such Loan to the remainder obtained by subtracting (i) LIBOR for such Interest Period from (ii) the rate obtained by multiplying LIBOR as referred to in clause (i) above by the Statutory Reserves of such Lender for such Interest Period. Such additional interest shall be determined by such Lender and notified to the Borrower or the relevant Subsidiary Borrower (with a copy to the Administrative Agent) not later than five Business Days before the next Interest Payment Date for such Loan, and such additional interest so notified to the Borrower or the relevant Subsidiary Borrower by any Lender shall be payable to the Administrative Agent for the account of such Lender on each Interest Payment Date for such Loan.

SECTION 2.17. Reserve Requirements; Change in Circumstances.

(a) Except with respect to Indemnified Taxes and Other Taxes, which shall be governed solely and exclusively by Section 2.23, if after the Closing Date any change in Applicable Law or regulation or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof (whether or not having the force of law) (i) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender, or (ii) shall impose on any Lender or the London Interbank market any other condition affecting this Agreement or any LIBOR Loan or Fixed Rate Competitive Loan made by such Lender, and the result of any of the foregoing shall be to increase the cost (other than the amount of Taxes, if any) to such Lender of making or maintaining any LIBOR Loan or Fixed Rate Competitive Loan or to reduce the amount (other than a reduction resulting from an increase in Taxes, if any) of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise) in respect thereof by an amount deemed in good faith by such Lender to be material, then the Borrower or the relevant Subsidiary Borrower shall pay such additional amount or amounts as will compensate such Lender for such increase or reduction to such Lender.

(b) Except with respect to Indemnified Taxes and Other Taxes, which shall be governed solely and exclusively by Section 2.23, if, after the Closing Date, any Lender shall have determined in good faith that the adoption after the Closing Date of any applicable law, rule, regulation or guideline

regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any Lending Office of such Lender) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of the Lender's holding company, if any, as a consequence of its obligations hereunder to a level below that which such Lender (or its holding company) could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Lender's policies or the policies of its holding company, as the case may be, with respect to capital adequacy) by an amount deemed by such Lender to be material, then, from time to time, the Borrower shall pay to the Administrative Agent for the account of such Lender such additional amount or amounts as will compensate such Lender for such reduction upon demand by such Lender.

(c) A certificate of a Lender setting forth in reasonable detail (i) such amount or amounts as shall be necessary to compensate such Lender as specified in paragraph (a) or (b) above, as the case may be, and (ii) the calculation of such amount or amounts referred to in the preceding clause (i), shall be delivered to the Borrower or the relevant Subsidiary Borrower and shall be conclusive absent manifest error. The Borrower or the relevant Subsidiary Borrower shall pay the Administrative Agent for the account of such Lender the amount shown as due on any such certificate within 10 Business Days after its receipt of the same.

(d) Failure on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any Interest Period shall not constitute a waiver of such Lender's rights to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to such Interest Period or any other Interest Period. The protection of this Section 2.17 shall be available to each Lender regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which shall have been imposed.

(e) Each Lender agrees that, as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that (i) would cause it to incur any increased cost under this Section 2.17, Section 2.18, Section 2.23 or Section 2.26 or (ii) would require the Borrower or any Subsidiary Borrower to pay an increased amount under this Section 2.17, Section 2.18, Section 2.23 or Section 2.26, it will notify the Borrower and such Subsidiary Borrower of such event or condition and, to the extent not inconsistent with such Lender's internal policies, will use its reasonable efforts to make, fund or maintain the affected Loans of such Lender, or, if applicable to participate in Letters of Credit, through another Lending Office of such Lender if as a result thereof the additional monies which would otherwise be required to be paid or the reduction of amounts receivable by such Lender thereunder in respect of such Loans or Letters of Credit would be materially reduced, or any inability to perform would cease to exist, or the increased costs which would otherwise be required to be paid in respect of such Loans or Letters of Credit pursuant to this Section 2.17, Section 2.18, Section 2.23 or Section 2.26 would be materially reduced or the Taxes payable under Section 2.23, or other amounts otherwise payable under this Section 2.17, Section 2.18 or Section 2.26 would be materially reduced, and if, as determined by such Lender, in its sole discretion, the making, funding or maintaining of such Loans or Letters of Credit through such other Lending Office would not otherwise materially adversely affect such Loans or Letters of Credit or such Lender. For the avoidance of doubt, nothing in this Section shall affect or postpone any of the obligations of the Borrower or any Subsidiary Borrower or the rights of any Lender pursuant to Section 2.23.

(f) In the event any Lender shall have delivered to the Borrower or any Subsidiary Borrower a notice that LIBOR Loans are no longer available from such Lender pursuant to Section 2.18,

or if the Borrower or such Subsidiary Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16 or Section 2.23, the Borrower may (but subject in any such case to the payments required by Section 2.18), upon at least five Business Days' prior written or telecopier notice to such Lender and the Administrative Agent, identify to the Administrative Agent a lending institution reasonably acceptable to the Administrative Agent which will purchase the Commitment, the amount of outstanding Loans, any participations in Letters of Credit from the Lender providing such notice and such Lender shall thereupon assign its Commitment, any Loans owing to such Lender and any participations in Letters of Credit to such replacement lending institution pursuant to Section 10.3. Such notice shall specify an effective date for such assignment and at the time thereof, the Borrower and any relevant Subsidiary Borrower shall pay all accrued interest, accrued Facility Fees and all other amounts (including without limitation all amounts payable under this Section) owing hereunder to such Lender as at such effective date for such assignment.

SECTION 2.18. Change in Legality.

(a) Notwithstanding anything to the contrary herein contained, if, after the Closing Date, any change in any law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof shall make it unlawful for any Lender to make or maintain any LIBOR Loan or to give effect to its obligations as contemplated hereby, then, by written notice to the Borrower and to the Administrative Agent, such Lender may:

(i) declare that LIBOR Loans will not thereafter be made by such Lender hereunder, whereupon such Lender shall not submit a Competitive Bid in response to a request for LIBOR Competitive Loans and the Borrower and any Subsidiary Borrower shall be prohibited from requesting LIBOR Revolving Credit Loans from such Lender hereunder unless such declaration is subsequently withdrawn; and

(ii) require that all outstanding LIBOR Loans made by it be converted to ABR Loans, in which event (A) all such LIBOR Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in Section 2.18(b) and (B) all payments and prepayments of principal which would otherwise have been applied to repay the converted LIBOR Loans shall instead be applied to repay the ABR Loans resulting from the conversion of such LIBOR Loans; provided that the principal amount of any such LIBOR Loan denominated in any Optional Currency shall be converted to the Dollar Equivalent there of concurrently with its conversion to an ABR Loan.

(b) For purposes of this Section 2.18, a notice to the Borrower by any Lender pursuant to Section 2.18(a) shall be effective on the date of receipt thereof by the Borrower.

SECTION 2.19. Reimbursement of Lenders.

(a) The Borrower or the relevant Subsidiary Borrower shall reimburse each Lender on demand for any loss incurred or to be incurred by it in the reemployment of the funds released (i) by any prepayment (for any reason) of any LIBOR or Fixed Rate Competitive Loan if such Loan is repaid other than on the last day of the applicable Interest Period for such Loan or (ii) in the event that after the Borrower or the relevant Subsidiary Borrower delivers a notice of borrowing under Section 2.3 in respect of LIBOR Revolving Credit Loans or a Competitive Bid Accept/Reject Letter under Section 2.7(d), pursuant to which it has accepted bids of one or more of the Lenders, the applicable Loan is not made on the first day of the Interest Period specified by the Borrower or the relevant Subsidiary Borrower for any reason other than (I) a suspension or limitation under Section 2.18 of the right of the Borrower or the relevant Subsidiary Borrower to select a LIBOR Loan or (II) a breach by a Lender of its obligations

hereunder. In the case of such failure to borrow, such loss shall be the amount as reasonably determined by such Lender as the excess, if any of (A) the amount of interest which would have accrued to such Lender on the amount not borrowed, at a rate of interest equal to the interest rate applicable to such Loan pursuant to Section 2.11, for the period from the date of such failure to borrow, to the last day of the Interest Period for such Loan which would have commenced on the date of such failure to borrow, over (B) the amount realized by such Lender in reemploying the funds not advanced during the period referred to above. In the case of a payment other than on the last day of the Interest Period for a Loan, such loss shall be the amount as reasonably determined by the Administrative Agent as the excess, if any, of (A) the amount of interest which would have accrued on the amount so paid at a rate of interest equal to the interest rate applicable to such Loan pursuant to Section 2.11, for the period from the date of such payment to the last day of the then current daily Interest Period for such Loan, over (B) the amount equal to the product of (x) the amount of the Loan so paid times (y) the current daily yield on U.S. Treasury Securities (at such date of determination) with maturities approximately equal to the remaining Interest Period for such Loan times (z) the number of days remaining in the Interest Period for such Loan. Each Lender shall deliver to the Borrower or the relevant Subsidiary Borrower from time to time one or more certificates setting forth the amount of such loss (and in reasonable detail the manner of computation thereof) as determined by such Lender, which certificates shall be conclusive absent manifest error. The Borrower or the relevant Subsidiary Borrower shall pay to the Administrative Agent for the account of each Lender the amount shown as due on any certificate within thirty days after its receipt of the same.

(b) In the event the Borrower or the relevant Subsidiary Borrower fails to prepay any Loan on the date specified in any prepayment notice delivered pursuant to Section 2.15(a), the Borrower or the relevant Subsidiary Borrower on demand by any Lender shall pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any loss incurred by such Lender as a result of such failure to prepay, including, without limitation, any loss, cost or expenses incurred by reason of the acquisition of deposits or other funds by such Lender to fulfill deposit obligations incurred in anticipation of such prepayment. Each Lender shall deliver to the Borrower or the relevant Subsidiary Borrower and the Administrative Agent from time to time one or more certificates setting forth the amount of such loss (and in reasonable detail the manner of computation thereof) as determined by such Lender, which certificates shall be conclusive absent manifest error.

SECTION 2.20. Pro Rata Treatment.

(a) Except as permitted under Sections 2.16, 2.17, 2.18, 2.19, 2.26, 2.29, 2.31 or as set forth anywhere else in this Agreement or any other Loan Document,

(i) each Revolving Credit Borrowing, each payment or prepayment of principal of any Revolving Credit Borrowing, each payment of interest on the Revolving Credit Loans, each payment of the Facility Fees, each reduction of the Total Revolving Commitment and each refinancing of any Borrowing with, or conversion of any Borrowing to, a Revolving Credit Borrowing, or continuation of any Borrowing as a Revolving Credit Borrowing, shall be allocated pro rata among the Revolving Lenders in accordance with their respective Revolving Percentages, in each case with respect to such Revolving Lender's respective tranche of Loans;

(ii) Each payment of principal of any Competitive Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any Competitive Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing.

(b) For purposes of determining the available Revolving Commitments of the Lenders at any time, each outstanding Competitive Borrowing shall be deemed to have utilized the Revolving Commitments of the Lenders (including those Lenders that shall not have made Loans as part of such Competitive Borrowing) pro rata in accordance with such respective Revolving Commitments.

(c) Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing computed in accordance with Section 2.1, to the next higher or lower whole dollar amount.

SECTION 2.21. Right of Setoff.

If any Event of Default shall have occurred and be continuing and the Required Lenders shall have directed the Administrative Agent to declare the Loans immediately due and payable pursuant to Section 7, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by such Lender and any other indebtedness at any time owing by such Lender to, or for the credit or the account of, (i) the Borrower, against any of and all the obligations of the Borrower now or hereafter existing under this Agreement and the Loans to the Borrower held by such Lender, or (ii) any Subsidiary Borrower, against any of and all the obligations of such Subsidiary Borrower now or hereafter existing under this Agreement and the Loans to such Subsidiary Borrower held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such Loans and although such Obligations may be unmatured. Each Lender agrees promptly to notify the Borrower or such Subsidiary Borrower, as applicable, after any such setoff and application made by such Lender, but the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Lender under this Section 2.21 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 2.22. Manner of Payments.

All payments by the Borrower and any Subsidiary Borrower hereunder shall be made in Dollars, except that prepayments or repayments in respect of Loans shall be made in the Currency in which such Loan is denominated, in Federal or other immediately available funds without deduction, setoff or counterclaim at the Funding Office no later than 1:00 P.M., New York City time, on the date on which such payment shall be due. Interest in respect of any Loan hereunder shall accrue from and including the date of such Loan to, but excluding, the date on which such Loan is paid or refinanced with a Loan of a different Interest Rate Type.

SECTION 2.23. Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower or any Subsidiary Borrower hereunder or under any Fundamental Document (including payments made by the Subsidiary Borrowers in satisfaction of the Subsidiary Borrower Obligations) shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower or any Subsidiary Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the Borrower or the relevant Subsidiary Borrower shall make such deductions, (ii) the Borrower or the relevant Subsidiary Borrower shall pay such amounts to the relevant Governmental Authority in accordance with Applicable Law, and (iii) the sum payable by the Borrower or Subsidiary Borrower shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.23) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made.

(b) In addition, the Borrower or any relevant Subsidiary Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) If the United States Internal Revenue Service or other Governmental Authority of the United States of America or other jurisdiction asserts a claim against the Administrative Agent or a Lender that the full amount of Indemnified Taxes or Other Taxes has not been paid (including where such Indemnified Taxes or Other Taxes are imposed directly on the Administrative Agent or any Lender), the Borrower and each Subsidiary Borrower shall indemnify the Administrative Agent and each Lender within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower or such Subsidiary Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.23) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority (other than those resulting from the Administrative Agent or Lender's gross negligence or willful misconduct). A certificate (along with a copy of the applicable documents from the United States Internal Revenue Service or other Governmental Authority of the United States of America or other jurisdiction that asserts such claim) as to the amount of such payment or liability and setting forth in reasonable detail the calculation and basis for such payment or liability delivered to the Borrower or the relevant Subsidiary Borrower by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower or any Subsidiary Borrower to a Governmental Authority, the Borrower or such Subsidiary Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent) (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased), at the time such Lender becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation) and at any other time or times reasonably requested by the Borrower, such properly completed and executed documentation prescribed by Applicable Law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate. Each Lender and Administrative Agent that is a United States Person, as defined in Section 7701(a)(30) of the Code (other than Persons that are corporations or otherwise exempt from United States backup withholding Tax), shall deliver at the time(s) and in the manner(s) prescribed by Applicable Law, to the Borrower and the Administrative Agent (as applicable), a properly completed and duly executed United States Internal Revenue Form W-9, or any successor form, certifying that such Person is exempt from United States backup withholding Tax on payments made hereunder.

(f) If the Administrative Agent or a Lender determines, in its sole good-faith discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or any Subsidiary Borrower or with respect to which the Borrower or any Subsidiary Borrower has paid additional amounts pursuant to this Section 2.23, it shall pay over such refund to the Borrower or such Subsidiary Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or such Subsidiary Borrower under this Section 2.23 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or

such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower or such Subsidiary Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower or such Subsidiary Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section 2.23 shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrower, any Subsidiary Borrower or any other Person.

(g) Each Lender agrees (i) that as between it and the Borrower, any Subsidiary Borrower or the Administrative Agent, it shall be the Person to deduct and withhold Taxes, and to the extent required by law it shall deduct and withhold Taxes, on amounts that such Lender may remit to any other Person(s) by reason of any undisclosed transfer or assignment of an interest in this Agreement to such other Person(s) pursuant to paragraph (g) of Section 10.3 and (ii) to indemnify the Borrower, any Subsidiary Borrower and the Administrative Agent and any officers, directors, agents, or employees of the Borrower, any Subsidiary Borrower or the Administrative Agent against, and to hold them harmless from, any Tax, interest, additions to Tax, penalties, reasonable counsel and accountants' fees, disbursements or payments arising from the assertion by any appropriate Governmental Authority of any claim against them relating to a failure to withhold Taxes as required by Applicable Law with respect to amounts described in clause (i) of this paragraph (g).

(h) Each assignee of a Lender's interest in this Agreement in conformity with Section 10.3 shall be bound by this Section 2.23, so that such assignee will have all of the obligations and provide all of the forms and statements and all indemnities, representations and warranties required to be given under this Section 2.23.

SECTION 2.24. Certain Pricing Adjustments.

The Facility Fee and applicable LIBOR Spread for Revolving Credit Loans in effect from time to time shall be determined in accordance with the following table:

Moody's/S&P Rating Equivalent	Facility Fee (in Basis Points)	Applicable LIBOR Spread (in Basis Points)	Total Drawn Pricing (in Basis Points)
≥ A3/A-	20.0	205.0	225.0
≥ Baa1/BBB+	25.0	225.0	250.0
≥ Baa2/BBB	37.5	237.5	275.0
≥ Baa3/BBB-	50.0	250.0	300.0
≥ Ba1/BB+	62.5	262.5	325.0
< Ba1/BB+	75.0	300.00	375.0

In the event that S&P and Moody's ratings on the Borrower's senior non-credit enhanced unsecured long-term debt are not equivalent to each other, the higher rating of S&P or Moody's will determine the Facility Fee and applicable LIBOR Spread, unless the ratings are more than one level apart, in which case the rating one level below the higher rating of S&P or Moody's will be determinative. In the event that (a) the Borrower's senior non-credit enhanced unsecured long-term debt is not rated by both of S&P or Moody's (for any reason, including if S&P or Moody's shall cease to be in the business of rating corporate debt obligations) or (b) if the rating system of any of S&P or Moody's shall change, then an amendment shall be negotiated in good faith to the references to specific ratings in the table above to

reflect such changed rating system or the unavailability of ratings from such rating agency (including an amendment to provide for the substitution of an equivalent or successor ratings agency). In the event that the Borrower's senior unsecured long-term debt is not rated by either of S&P or Moody's, then the Facility Fee and applicable LIBOR Spread shall be deemed to be calculated as if the lowest rating category set forth above applied until such time as an amendment to the table above shall be agreed to. Any increase in the Facility Fee or applicable LIBOR Spread determined in accordance with the foregoing table shall become effective on the date of announcement or publication by the Borrower or the applicable rating agency of a reduction in such rating or, in the absence of such announcement or publication, on the effective date of such decreased rating, or on the date of any request by the Borrower to the applicable rating agency not to rate its senior unsecured long-term debt or on the date any of such rating agencies announces it shall no longer rate the Borrower's senior unsecured long-term debt. Any decrease in the Facility Fee or applicable LIBOR Spread shall be effective on the date of announcement or publication by any of such rating agencies of an increase in rating or in the absence of announcement or publication on the effective date of such increase in rating.

The applicable margin for ABR Loans shall be the applicable LIBOR Spread minus 100 Basis Points (but not less than 0%).

SECTION 2.25. Prepayments Required Due to Currency Fluctuation.

(a) Not later than 1:00 P.M., New York City time, on the last Business Day of each fiscal quarter or at such other time as is reasonably determined by the Administrative Agent (the "Calculation Time"), the Administrative Agent shall determine the Dollar Equivalent of the Revolving Credit Exposure as of such date.

(b) If at the Calculation Time, the Dollar Equivalent of the Revolving Credit Exposure exceeds the Total Revolving Commitment by 5% or more, then within five Business Days after notice thereof to the Borrower from the Administrative Agent, the Borrower shall prepay Revolving Credit Loans or Swingline Loans (or cause any Subsidiary Borrower to make such prepayment) in an aggregate principal amount at least equal to such excess. Nothing set forth in this Section 2.25(b) shall be construed to require the Administrative Agent to calculate compliance under this Section 2.25(b) other than at the times set forth in Section 2.25(a).

SECTION 2.26. Letters of Credit.

(a) (i) Upon the terms and subject to the conditions hereof, each Issuing Lender agrees to issue standby letters of credit (the letters of credit issued on and after the Closing Date pursuant to this Section 2.26, together with the Existing Letters of Credit, collectively, the "Letters of Credit") payable in Dollars from time to time after the Closing Date and prior to the earlier of the Maturity Date and the termination of the Revolving Commitments, upon the request of the Borrower or any Subsidiary Borrower, provided that (A) neither the Borrower nor any Subsidiary Borrower shall request that any Letter of Credit be issued if, after giving effect thereto, the Revolving Exposure would exceed the Total Revolving Commitment or the aggregate L/C Exposure would exceed $350,000,000, (B) in no event shall any Issuing Lender issue (x) any Letter of Credit having an expiration date later than five Business Days before the Maturity Date or (y) any Letter of Credit having an expiration date more than one year after its date of issuance, provided that any Letter of Credit with a one-year tenor may provide for the automatic extension thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (x) above), (C) neither Borrower nor any Subsidiary Borrower shall request that an Issuing Lender issue any Letter of Credit if, after giving effect to such issuance or reinstatement, the L/C Exposure would exceed the Total Revolving Commitment and (D) an Issuing Lender shall be prohibited from issuing Letters of Credit hereunder upon the occurrence and during the continuance of an Event of

Default (provided that such Issuing Lender shall have received notice of such Event of Default pursuant to Section 8.4 hereof andprovided further that such notice shall be received at least 24 hours prior to the date on which any Letter of Credit is to be issued). The Administrative Agent will, upon request of any Issuing Lender, confirm the total amount of L/C Exposure and the aggregate outstanding Loans to such Issuing Lender. Letters of Credit outstanding under the Existing Credit Agreement on the Closing Date shall be deemed to have been issued under this Agreement on the Closing Date.

(ii) Immediately upon the issuance of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby agrees to, have irrevocably purchased from the applicable Issuing Lender, a participation in such Letter of Credit in an amount equal to such Revolving Lender's Revolving Percentage multiplied by the stated amount of such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Lender, an amount equal to such Lender's Revolving Percentage of each amount paid by such Issuing Lender in respect of each Letter of Credit (as such amount may be increased as set forth below) issued by such Issuing Lender and not reimbursed by the Borrower or the relevant Subsidiary Borrower on the date due as provided in this Section 2.26 and of any reimbursement payment required to be refunded to the Borrower or the relevant Subsidiary Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit and its other obligations under this Section 2.26 are absolute and unconditional and shall not be affected by any circumstance whatsoever, including (A) any amendment or extension of any Letter of Credit, (B) the occurrence and continuance of a Default or an Event of Default, (C) reduction or termination of the Commitments, (D) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Issuing Lender, the Borrower, any Subsidiary Borrower or any other Person for any reason whatsoever or (E) any other occurrence, event or condition, whether or not similar to any of the foregoing; and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(iii) Neither the Administrative Agent, the Lenders, any Issuing Lender, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder, or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any Issuing Lender; provided that the foregoing shall not be construed to excuse any Issuing Lender from liability to the Borrower or the relevant Subsidiary Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower and any Subsidiary Borrower to the extent permitted by applicable law) suffered by the Borrower or the relevant Subsidiary Borrower that are caused by such Issuing Lender's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof.

(iv) Each Letter of Credit may, at the option of the applicable Issuing Lender, provide that such Issuing Lender may (but shall not be required to) pay all or any part of the maximum amount which may at any time be available for drawing thereunder to the beneficiary thereof upon the occurrence of an Event of Default and the acceleration of the maturity of the Loans, provided that, if payment is not then due to the beneficiary, such Issuing Lender shall deposit the funds in question in an account with such Issuing Lender to secure payment to the beneficiary and any funds so deposited shall be paid to the beneficiary of the Letter of Credit if

conditions to such payment are satisfied or returned to the Administrative Agent for distribution to the Lenders (or, if all Obligations shall have been paid in full in cash, to the Borrower or the relevant Subsidiary Borrower) if no payment to the beneficiary has been made and the final date available for drawings under the Letter of Credit has passed. Each payment or deposit of funds by an Issuing Lender as provided in this paragraph shall be treated for all purposes of this Agreement as a drawing duly honored by such Issuing Lender under the related Letter of Credit.

(v) The Issuing Lender shall not be required to issue Letters of Credit if (i) any Lender is a Defaulting Lender, unless (A) the Issuing Lender has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the Issuing Lender (in its sole discretion) with the Borrower or such Lender to eliminate the Issuing Lender's actual or potential Fronting Exposure (after giving effect to Section 2.31(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Exposure as to which the Issuing Lender has Fronting Exposure, as it may elect in its sole discretion or (B) the Fronting Exposure resulting from such Defaulting Lender has been reallocated pursuant to Section 2.31(a)(iv); (ii) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing such Letter of Credit, or any Applicable Law applicable to the Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it or (iii) the issuance of such Letter of Credit would violate one or more policies of the Issuing Lender applicable to letters of credit generally and applicable to customers of such Issuing Lender generally.

(vi) Each Issuing Lender shall, no later than the third Business Day following the last day of each month, provide to Administrative Agent a schedule of the Letters of Credit issued by it, in form and substance reasonably satisfactory to Administrative Agent, showing the date of issuance of each Letter of Credit, the account party, the original face amount (if any), the expiration date, and the reference number of any Letter of Credit outstanding at any time during such month, and showing the aggregate amount (if any) payable by Borrower to such Issuing Lender during such month pursuant to Section 2.26(f). Promptly after the receipt of such schedule from each Issuing Lender, Administrative Agent shall provide to Lenders a summary of such schedules.

(vii) Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

(b) Whenever the Borrower or any Subsidiary Borrower desires the issuance of a Letter of Credit, it shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Lender) to the Administrative Agent and the applicable Issuing Lender a written notice no later than 1:00 P.M. (New York time) at least five Business

Days prior to the proposed date of issuance provided, however, the Borrower or the relevant Subsidiary Borrower and the Administrative Agent and such Issuing Lender may agree to a shorter time period. That notice shall specify (i) the Issuing Lender for such Letter of Credit, (ii) the proposed date of issuance (which shall be a Business Day under the laws of the jurisdiction of the applicable Issuing Lender), (iii) the face amount of the Letter of Credit, (iv) the expiration date of the Letter of Credit and (v) the name and address of the beneficiary and (vi) such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. Such notice shall be accompanied by a brief description of the underlying transaction and upon the request of the applicable Issuing Lender, the Borrower or the relevant Subsidiary Borrower shall provide additional details regarding the underlying transaction. If requested by an Issuing Lender, the Borrower or the relevant Subsidiary Borrower also shall submit a letter of credit application on the Issuing Lender's standard form in connection with any request for a Letter of Credit, which form shall be furnished in accordance with Section 10.1. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower or the relevant Subsidiary Borrower to, or entered into by the Borrower or the relevant Subsidiary Borrower with, any Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Concurrently with the giving of written notice of a request for the issuance of a Letter of Credit, the Borrower or the relevant Subsidiary Borrower shall specify a precise description of the documents and the verbatim text of any certificate to be presented by the beneficiary of such Letter of Credit which, if presented by such beneficiary prior to the expiration date of the Letter of Credit, would require the applicable Issuing Lender to make payment under the Letter of Credit; provided that the applicable Issuing Lender, in its reasonable discretion, may require customary changes in any such documents and certificates. Upon issuance of any Letter of Credit, the applicable Issuing Lender shall notify the Administrative Agent of the issuance of such Letter of Credit. Promptly after receipt of such notice, the Administrative Agent shall notify each Lender of the issuance and the amount of each such Lender's respective participation therein.

(c) The payment of drafts under any Letter of Credit shall be made in accordance with the terms of such Letter of Credit and, in that connection, any Issuing Lender shall be entitled to honor any drafts and accept any documents presented to it by the beneficiary of such Letter of Credit in accordance with the terms of such Letter of Credit and believed by such Issuing Lender in good faith to be genuine. No Issuing Lender shall have any duty to inquire as to the accuracy or authenticity of any draft or other drawing documents which may be presented to it, but shall be responsible only to determine in accordance with customary commercial practices that the documents which are required to be presented before payment or acceptance of a draft under any Letter of Credit have been delivered and that they comply on their face with the requirements of that Letter of Credit.

(d) If any Issuing Lender shall be requested to make payment on any draft presented under a Letter of Credit, such Issuing Lender shall give notice of such request for payment to the Administrative Agent and the Administrative Agent shall give notice to each Revolving Lender no later than 3:00 P.M. New York City time of its respective participation therein on behalf of such Issuing Lender. Each Revolving Lender hereby authorizes and requests such Issuing Lender to advance for its account pursuant to the terms hereof its share of such payment based upon its participation in the Letter of Credit and agrees to reimburse such Issuing Lender by making payment to the Administrative Agent for the account of such Issuing Lender in immediately available funds for the amount so advanced on its behalf no later than 4:00 P.M. New York City time on the date such Issuing Lender makes such request. If such reimbursement is not made by any Revolving Lender in immediately available funds on the same day on which such Issuing Lender shall have made payment on any such draft presented under a Letter of Credit, such Lender shall pay interest thereon to the Administrative Agent, for the account of such Issuing Lenders, at a rate per annum equal to the Issuing Lender's cost of obtaining overnight funds in the New York Federal Funds Market.

(e) In the case of any draft presented under a Letter of Credit (provided that the conditions specified in Section 4.1 are then satisfied, and notwithstanding the limitations as to the aggregate principal amount of ABR Loans set forth in Section 2.2(a), as to the time of funding of a Borrowing set forth in Section 2.2(c) and as to the time of notice of a proposed Borrowing set forth in Section 2.3), payment by the applicable Issuing Lender of such draft shall constitute an ABR Loan hereunder, and interest shall accrue from the date the applicable Issuing Lender makes such payment, which ABR Loan, upon and to the extent that a Revolving Lender shall have made reimbursement to the applicable Issuing Lender pursuant to Section 2.26(d), shall constitute such Lender's ABR Loan hereunder. If any draft is presented under a Letter of Credit and (i) the conditions specified in Section 4.2 are not satisfied or (ii) if the Revolving Commitments have been terminated, then the Borrower or the relevant Subsidiary Borrower will, upon demand by the Administrative Agent or the applicable Issuing Lender, on the same Business Day of such draft (or on the next Business Day if notice of such draft is received after 10:00 A.M. New York City time), pay to the Administrative Agent, for the account of the applicable Issuing Lender, in immediately available funds, the full amount of such draft.

(f) (i) The Borrower and each Subsidiary Borrower agree to pay the following amounts to the Administrative Agent for the account of each Issuing Lender (or, in the case of clauses (B) and (C) below, directly to such Issuing Lender) with respect to Letters of Credit issued by such Issuing Lender hereunder:

(A) with respect to drawings made under any Letter of Credit issued for the account of the Borrower or such Subsidiary Borrower, interest, payable on demand, on the amount paid by such Issuing Lender in respect of each such drawing from the date of the drawing to, but excluding, the date such amount is reimbursed by the Borrower or such Subsidiary Borrower at a rate which is at all times equal to 2% per annum (without duplication of any amounts payable under Section 2.12) in excess of the Alternate Base Rate plus the applicable margin therefore calculated pursuant to Section 2.24; provided that no such default interest shall be payable if such reimbursement is made (a) from the proceeds of Revolving Credit Loans or (b) otherwise in compliance with Section 2.26(e);

(B) the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such Issuing Lender relating to letters of credit as from time to time in effect (with such fees and standard costs and charges to be due and payable on demand and nonrefundable); and

(C) a fronting fee computed at the rate agreed to by the Borrower and the applicable Issuing Lender (but, in any event, not greater than 0.20% per annum), computed on the daily amount available to be drawn under each outstanding Letter of Credit issued by such Issuing Lender, such fee to be due and payable in arrears on and through the last day of each fiscal quarter of the Borrower, on the Maturity Date and on the expiration of the last outstanding Letter of Credit.

(ii) The Borrower and each Subsidiary Borrower agree to pay to the Administrative Agent for distribution to each Revolving Lender in respect of all outstanding Letters of Credit issued for the account of the Borrower or such Subsidiary Borrower, such Lender's Revolving Percentage of a commission on the daily amount available to be drawn under such outstanding Letters of Credit calculated at a rate per annum equal to the LIBOR Spread applicable to Revolving Credit Loans from time to time in effect hereunder; provided, however, any commissions otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the Issuing Lender pursuant to this Section 2.26 shall be payable, to

the maximum extent permitted by applicable law, to the other Lenders in accordance with the upward adjustment in their respective Revolving Percentages allocable to such Letter of Credit pursuant to Section 2.31(a)(iv), with the balance of such fee, if any, payable to the Issuing Lender for its own account. Such commission shall be payable in arrears on and through the last day of each fiscal quarter of the Borrower and on the later of the Maturity Date and the expiration of the last outstanding Letter of Credit.

(iii) For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 2.26(a)(vii).

(iv) Promptly upon receipt by any Issuing Lender or the Administrative Agent (as applicable) of any amount described in clauses (i) or (ii) of this Section 2.26(f), or any amount described in Section 2.26(e) previously reimbursed to the applicable Issuing Lender by the Revolving Lenders, such Issuing Lender shall distribute such amount to the Administrative Agent and the Administrative Agent shall distribute to each Revolving Lender (other than to any Revolving Lender which has failed to reimburse the Issuing Lender for the applicable drawing) its pro rata share of such amount.

(v) The obligation of the Borrower and each Subsidiary Borrower to reimburse the Issuing Lender for each drawing under each Letter of Credit and to repay each Letter of Credit shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(a) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other agreement related hereto;

(b) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Issuing Lender or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(c) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(d) any payment by the Issuing Lender under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the Issuing Lender under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(e) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will promptly notify the Issuing Lender. The Borrower shall be conclusively deemed to have waived any such claim against the Issuing Lender and its correspondents unless such notice is given as aforesaid.

(g) If at any time when an Event of Default shall have occurred and be continuing, any Letters of Credit shall remain outstanding, then either the applicable Issuing Lender(s), the Administrative Agent or the Required Lenders may, at its or their option, require the Borrower or the relevant Subsidiary Borrower to deposit Cash Equivalents in a Cash Collateral Account in an amount equal to the full amount of the L/C Exposure or to furnish other security acceptable to the Administrative Agent and the applicable Issuing Lender(s), provided that the obligation to deposit such cash collateral shall become effective within one Business Day after the Borrower and/or such Subsidiary Borrower receives notice from the applicable Issuing Lender, the Administrative Agent or the Required Lenders, and provided, further that such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (f) or (g) of Section 7. Such deposit shall be held by the Administrative Agent as collateral for the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made in Cash Equivalents and at the option and sole discretion of the Administrative Agent and at the Borrower's and/or the relevant Subsidiary Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Any amounts so delivered pursuant to the preceding sentence shall be applied to reimburse the applicable Issuing Lender(s) for the amount of any drawings honored under Letters of Credit issued by it. If the Borrower or any Subsidiary Borrower is required to deposit Cash Equivalents (or other security) pursuant to the provisions of this Section 2.26(g) as a result of the occurrence of an Event or Default, such amount (to the extent not applied as set forth in the preceding provisions of this paragraph) shall be returned by the Administrative Agent to the Borrower or such Subsidiary Borrower within three Business Days after such Event of Default has been cured or waived.

(h) If at any time, the sum of the Revolving Credit Exposure exceeds the aggregate Revolving Commitments, then the Administrative Agent may, at its option, require the Borrower and/or any Subsidiary Borrower to deposit Cash Equivalents in a Cash Collateral Account in an amount sufficient to eliminate such excess or to furnish other security for such excess acceptable to the Administrative Agent. Any amounts so delivered pursuant to the preceding sentence shall be applied to reimburse the applicable Issuing Lender(s) for the amount of any drawings honored under Letters of Credit issued for the account of the Borrower or such Subsidiary Borrower and held as cash collateral for the Obligations. If the Borrower or any Subsidiary Borrower is required to deposit Cash Equivalents (or other security) pursuant to the provisions of this Section 2.26(h), such amount (to the extent not applied as set forth in the preceding sentence) shall be returned by the Administrative Agent to the Borrower or such Subsidiary Borrower within three Business Days after such excess is reduced to $0.

(i) Upon the request of the Administrative Agent, each Issuing Lender shall furnish to the Administrative Agent copies of any Letter of Credit issued by such Issuing Lender and such related documentation as may be reasonably requested by the Administrative Agent.

(j) If the Borrower so requests in any applicable Letter of Credit Application, the Issuing Lender may, in its sole and absolute discretion, agree to issue a Letter of Credit that permits the automatic reinstatement of all or a portion of the stated amount thereof after any drawing thereunder (each, an "Auto-Reinstatement Letter of Credit"). Unless otherwise directed by the Issuing Lender, the Borrower shall not be required to make a specific request to the Issuing Lender to permit such reinstatement. Once

an Auto-Reinstatement Letter of Credit has been issued, except as provided in the following sentence, the Lenders shall be deemed to have authorized (but may not require) the Issuing Lender to reinstate all or a portion of the stated amount thereof in accordance with the provisions of such Letter of Credit. Notwithstanding the foregoing, if such Auto-Reinstatement Letter of Credit permits the Issuing Lender to decline to reinstate all or any portion of the stated amount thereof after a drawing thereunder by giving notice of such non-reinstatement within a specified number of days after such drawing (the "Non-Reinstatement Deadline"), the Issuing Lender shall not permit such reinstatement if it has received a notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Reinstatement Deadline (A) from the Administrative Agent that the Required Lenders have elected not to permit such reinstatement or (B) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.2 is not then satisfied (treating such reinstatement as an issuance of a Letter of Credit for purposes of this clause) and, in each case, directing the Issuing Lender not to permit such reinstatement.

(k) Notwithstanding the termination of the Commitments and the payment of the Loans, the obligations of the Borrower, any Subsidiary Borrower and the Lenders under this Section 2.26 shall remain in full force and effect until the Administrative Agent, each Issuing Lender and the Lenders shall have been irrevocably released from their obligations with regard to any and all Letters of Credit.

SECTION 2.27. New Local Facilities.

(a) The Borrower or any Subsidiary Borrower may at any time or from time to time after the Closing Date, by notice to the Administrative Agent, request the Revolving Lenders to designate a portion of their respective Revolving Commitments to make Revolving Extensions of Credit denominated in Dollars and any Optional Currency in a jurisdiction inside or outside of the United States pursuant to a newly established sub-facility under the Revolving Facility (each, a "New Local Facility"); provided that (i) both at the time of any such request and upon the effectiveness of any Local Facility Amendment referred to below, no Default or Event of Default shall have occurred and be continuing, (ii) the Borrower and its Subsidiaries shall be in compliance with the covenants set forth in Sections 6.5 and 6.6 as of the last day of the most recently ended fiscal quarter and (iii) if applicable, a Subsidiary Borrower for such new Local Facility shall be designated pursuant to Section 10.9(b); provided further that (i) Letters of Credit and Swingline Loans shall not be issued or made under a New Local Facility unless the Borrower, the Administrative Agent, and, as applicable, the Swingline Lender and the Issuing Lender have agreed and (ii) no Lender shall be required to make Revolving Extensions of Credit in excess of its Revolving Commitment. Each New Local Facility shall be in a minimum Dollar Equivalent amount of $10,000,000, and the aggregate Dollar Equivalent amounts of the New Local Facilities shall not exceed $200,000,000 at any time. Each notice from the Borrower pursuant to this Section 2.27 shall set forth the requested amount and proposed terms of the relevant New Local Facility. Revolving Lenders wishing to designate a portion of their Revolving Commitments to a New Local Facility (each, a "New Local Facility Lender") shall have such portion of their Revolving Commitment designated to such New Local Facility on a pro rata basis in accordance with the aggregate Revolving Commitments of the other applicable New Local Facility Lenders unless otherwise agreed by the Borrower, the Administrative Agent and such New Local Facility Lender. The designation of Revolving Commitments to any New Local Facility shall be made pursuant to an amendment (each, a "Local Facility Amendment") to this Agreement and, as appropriate, the other Fundamental Documents, executed by the Loan Parties, the Administrative Agent and each New Local Facility Lender. Any Local Facility Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Fundamental Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to implement the provisions of this Section, a copy of which shall be made available to each Lender. The effectiveness of any Local Facility Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.2 and such other conditions as the parties thereto shall agree. No

Revolving Lender shall be obligated to transfer any portion of its Revolving Commitments to a New Local Facility unless it so agrees.

(b) Notwithstanding any provision of this Agreement to the contrary, each New Local Facility shall be deemed to be a utilization of the Revolving Commitments and upon the effectiveness of a New Local Facility: (i) participating interests of the Lenders in existing and future Letters of Credit and Swingline Loans issued under the Revolving Commitments shall be reallocated based on the respective Revolving Commitments of the Lenders after giving effect to the utilization thereof by the New Local Facilities and (ii) future Revolving Loans shall be funded by the Lenders based on the respective Revolving Commitments of the Lenders after giving effect to the utilization thereof by the New Local Facilities, in each case until reallocated in accordance with this paragraph (b); in each case subject to further adjustments based on the utilization from time to time of the Revolving Commitments by the New Local Facilities. Payments in respect of Letters of Credit, Swingline Loans and Revolving Loans and extensions of credit under New Local Facilities shall be made as directed by the Administrative Agent in order to give effect to this paragraph (b).

(c) This Section 2.27 shall supersede any provisions in Section 10.9 or any other provision of this Agreement to the contrary as it relates to any Local Facility Amendment.

SECTION 2.28. Incremental Credit Extensions.

(a) The Borrower may at any time or from time to time after the Closing Date, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders), request (i) one or more tranches of term loans (the "Incremental Term Loans"), (ii) one or more increases in the amount of the Total Revolving Commitment (a "Revolving Commitment Increase"), and/or (iii) one or more new tranches of revolving commitments ("Incremental Revolving Commitments", and together with the Incremental Term Loans and the Revolving Commitment Increases, the "Incremental Facilities") be made available under this Agreement, *provided* that both at the time of any such request and upon the effectiveness of any Incremental Amendment referred to below, no Default or Event of Default shall exist. Each tranche of Incremental Term Loans and Incremental Revolving Commitments and each Revolving Commitment Increase shall be in an aggregate principal amount that is not less than $10,000,000 and shall be in an increment of $1,000,000 (*provided* that such amount may be less than $10,000,000 if such amount represents all remaining availability under the limit set forth in the next sentence). Notwithstanding anything to the contrary herein, the aggregate amount of the Incremental Term Loans, Incremental Revolving Commitments and Revolving Commitment Increases shall not exceed $250,000,000 outstanding at any time. Each Incremental Facility shall (a) rank pari passu in right of payment and of security, if any, with the Revolving Credit Loans and the other Incremental Facilities; (b) be subject to pricing and maturity agreed to by the Borrower and the Lenders providing such Incremental Facility; and (c) not be subject to any scheduled or mandatory principal amortization prior to the Maturity Date (other than customary limited amortization for institutional term loans); *provided* that except for pricing and maturity (as limited by the preceding paragraph (c)), the terms and conditions applicable to the Incremental Facilities will be as set forth in this Agreement unless otherwise approved by the Administrative Agent. Each notice from the Borrower pursuant to this Section 2.28 shall set forth the requested amount and proposed terms of the relevant Incremental Facility. In the case of an Incremental Term Loan Facility, the Lenders providing such Incremental Term Loans, with the consent of the Administrative Agent, may agree to allow the Borrower and its Subsidiaries and controlled Affiliates to become Eligible Assignees with respect to such Incremental Term Loans under circumstances, terms and conditions to be agreed at the time of incurrence but in all cases subject to Section 10.3(l). Incremental Term Loans may be made and Revolving Commitment Increases may be provided by any existing Lender (but no Lender will have an obligation to provide any portion of any Incremental Facility) or by any other bank or other financial institution (any such other bank or other financial institution being

called an "Incremental Lender"), *provided* that in the event the Lenders are providing a Revolving Commitment Increase or Incremental Revolving Commitments, the Administrative Agent, Issuing Lender and/or Swing Line Lender, as applicable, shall have consented (not to be unreasonably withheld, conditioned or delayed) to such Lender's or Incremental Lender's providing such Incremental Facility to the extent any such consent would be required under Section 10.3 for an assignment of Loans or Revolving Credit Commitments, as applicable, to such Lender or Incremental Lender. Commitments in respect of Incremental Facilities shall become commitments (or in the case of a Revolving Commitment Increase to be provided by an existing Revolving Credit Lender, an increase in such Lender's applicable Revolving Credit Commitment) under this Agreement pursuant to an amendment (an "Incremental Amendment") to this Agreement and, as appropriate, the other Fundamental Documents, executed by the Borrower, each Lender agreeing to provide such commitment, each Incremental Lender, if any, and the Administrative Agent. The Incremental Amendment may, with the consent of the Borrower and the Administrative Agent, effect such amendments to this Agreement and the other Fundamental Documents (including the amendment and restatement thereof and to provide Incremental Lenders with appropriate voting and loan assignment rights and other provisions reflecting the terms of the applicable Incremental Facility) as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.28. The Borrower will use the proceeds of the Incremental Facilities for any purpose not prohibited by this Agreement. No Lender shall be obligated to provide any portion of any Incremental Facility unless it so agrees. Upon each increase in the Revolving Credit Commitments pursuant to this Section 2.28 (a) each Revolving Credit Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Lender providing a portion of the Revolving Commitment Increase (each, a "Revolving Commitment Increase Lender"), and each such Revolving Commitment Increase Lender will automatically and without further act be deemed to have assumed (in the case of an increase to the Revolving Credit Facility only), a portion of such Revolving Credit Lender's participations hereunder in outstanding Letters of Credit and Swing Line Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding (i) participations hereunder in Letters of Credit and (ii) participations hereunder in Swing Line Loans held by each Revolving Credit Lender (including each such Revolving Commitment Increase Lender) will equal the percentage of the aggregate Revolving Credit Commitments of all Revolving Credit Lenders represented by such Revolving Credit Lender's Revolving Credit Commitment and (b) if, on the date of such increase, there are any Revolving Credit Loans outstanding, such Revolving Credit Loans shall on or prior to the effectiveness of such Revolving Commitment Increase be prepaid from the proceeds of additional Revolving Credit Loans made hereunder (reflecting such increase in Revolving Credit Commitments), which prepayment shall be accompanied by accrued interest on the Revolving Credit Loans being prepaid and any costs incurred by any Lender in accordance with Section 10.4. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence. Each Incremental Lender shall become party to this agreement upon acceptance by the Administrative Agent of an Incremental Lender Supplement signed by such Incremental Lender substantially in the form of Exhibit G-2.

(b) This Section 2.28 shall supersede any provisions in Section 10.9 to the contrary.

SECTION 2.29. Loan Modification Offers.

(a) The Borrower may, by written notice to the Administrative Agent from time to time beginning on the date which is 18 months after the Closing Date, make one or more offers (but there shall not be more than two offers outstanding at any one time) (each, a "Loan Modification Offer") to all the Revolving Lenders to make one or more Permitted Amendments (as defined in clause (c) below) pursuant to procedures reasonably agreed upon by the Borrower and the Administrative Agent, including

as to minimum tranche amounts. Such notice shall set forth (i) the terms and conditions of the requested Permitted Amendment and (ii) the date on which such Permitted Amendment is requested to become effective (which shall not be less than ten Business Days nor more than sixty Business Days after the date of such offer). Permitted Amendments shall become effective only with respect to the Loans and Revolving Commitments of the Revolving Lenders that accept the applicable Loan Modification Offer (each such Lender a "Modifying Lender"). No Revolving Lenders will be required to accept a Loan Modification Offer.

(b) The Borrower and each Revolving Lender that accepts the Loan Modification Offer shall execute and deliver to the Administrative Agent a Loan Modification Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the acceptance of the Permitted Amendments and the terms and conditions thereof. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Loan Modification Agreement and deliver such Loan Modification Agreement to the Lenders. Each of the parties hereto agrees that, upon the effectiveness of any Loan Modification Agreement, this Agreement and each other Fundamental Document shall be deemed amended as may be necessary and appropriate (including the amendment and restatement hereof), in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.29. In connection therewith, the Lenders accepting such Loan Modification Offer (and their associated commitments) may be moved into a new tranche of loans and/or commitments hereunder and the Borrower and such Modifying Lenders will agree on the maturity date, interest rate, fees, amount of any letter of credit sub-facility, if any, amount of any swing line sub-facility, if any, of such new tranche of revolving credit commitments, amortization, if any and other procedural mechanics reasonably related thereto. Contemporaneously with the creation of such new tranche, each Modifying Lender's Revolving Commitment shall be reduced dollar for dollar with its commitment to such new tranche. The Borrower may, at its sole option, terminate or reduce the aggregate Revolving Commitments of the Revolving Lenders that do not accept the Loan Modification Offer. Additionally, to the extent the Borrower has reduced the Revolving Commitments of Lenders that are not Modifying Lenders, it may add any other Eligible Assignee (with the consent of the Administrative Agent and the relevant Issuing Lender, such consent not to be unreasonably withheld or delayed) to provide a commitment to make loans on the terms set forth in such Loan Modification Offer in an amount not to exceed the amount of the Revolving Commitments reduced pursuant to the preceding sentence.

(c) "Permitted Amendments" shall be (i) an extension of the final termination date of the applicable Revolving Loans and/or Revolving Commitments of the affected Revolving Lenders accepting the applicable Loan Modification Offer (provided that there cannot be more than three Revolving Termination Dates without the consent of the Administrative Agent), (ii) a reduction in the Revolving Commitments of the affected Revolving Lenders accepting the Loan Modification Offer, (iii) the payment of the then agreed upon extension fees, if any, to the affected Revolving Lenders accepting the applicable Loan Modification Offer, (iv) increases in pricing with respect to Loans or other extensions of credit of Revolving Commitments of the Revolving Lenders that accept the applicable Loan Modification Offer, if any, (v) the allocation of Letters of Credit and Swingline Loans between any extending tranche and the non-extending tranche and (vi) other amendments which implement the foregoing.

(d) Permitted Amendments shall be approved by the Revolving Lenders accepting a Loan Modification Offer, the Administrative Agent and the Borrower without the need to obtain the approval of the other Lenders. This Section 2.29 shall supersede any provision in Section 10.9 to the contrary. All Loans to the Borrower under this Agreement shall rank pari-passu in right of payment.

SECTION 2.30. Cash Collateral

(a) Certain Credit Support Events. Upon the request of the Administrative Agent or the Issuing Lender (i) if the Issuing Lender has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an extension of credit under a Letter of Credit, or (ii) if, as of the date the Letter of Credit expires, any balance under the Letters of Credit for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then outstanding amount of all Letters of Credit. At any time that there shall exist a Defaulting Lender and after giving effect to the commitment reallocation procedure set forth in Section 2.31(a)(iv), in the event that Fronting Exposure still exists, immediately upon the request of the Administrative Agent, the Issuing Lender or the Swingline Lender, the Borrower shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (after giving effect to Section 2.31(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in Cash Collateral Accounts. The Borrower, and to the extent provided by any Lender, such Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the Issuing Lender and the Lenders (including the Swing Line Lender), and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.30(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the Borrower or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.30 or Sections 2.26, 2.31 or 8.3 in respect of Letters of Credit or Swingline Loans shall be held and applied to the satisfaction of the specific Letters of Credit, Swingline Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto, such determination to be made in the reasonable discretion of the Administrative Agent (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 10.3)) or (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of a Default or Event of Default (and following application as provided in this Section 2.30 may be otherwise applied in accordance with Section 8.3), and (y) the Person providing Cash Collateral and the Issuing Lender or Swingline Lender, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

SECTION 2.31. Defaulting Lenders

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.9.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 8.3, shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro-rata basis of any amounts owing by that Defaulting Lender to the Issuing Bank or Swingline Lender hereunder; *third*, if so determined by the Administrative Agent or requested by an Issuer Lender or Swingline Lender to be held in a Cash Collateral Account for future funding obligations of that Defaulting Lender of any participation in any Swingline Loan or Letter of Credit; *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth* if so determined by the Administrative Agent and the Borrower, to be held in escrow in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; *sixth*, to the payment of any amounts owing to the Lenders, the Issuer Lender or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Lender or Swingline Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *seventh,* so long as no Default or Event of Default exists, to the payment of amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or Letters of Credit in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans or Letters of Credit were made at a time when the conditions set forth in Section 4.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and reimbursement obligations owed to all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans, or reimbursement obligations owed to, that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or placed in escrow) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.31 shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto. Promptly following (x) termination of this Agreement (including the termination of all Letters of Credit issued hereunder) and the payment of all amounts owed under this Agreement (other than unasserted contingent obligations which by their terms survive the termination of this Agreement) or (y) a Lender ceasing to be a Defaulting Lender pursuant to Section 2.31(b), all amounts, if any, held by the Administrative Agent pursuant to this Section 2.31(a)(ii) shall be returned to the applicable Defaulting Lender(s) (or, in the case of clause (y), the applicable Lender(s) that have ceased to be Defaulting Lender(s) pursuant to Section 2.31(b)).

(iii) Certain Fees. That Defaulting Lender (x) shall not be entitled to receive any facility fee pursuant to Section 2 for any period during which that Lender is a Defaulting Lender only to the extent allocable to the sum of (1) the outstanding amount of the Revolving Credit Loans funded by it and (2) its Revolving Percentage of the stated amount Letters of Credit and Swingline Loans for which Cash Collateral has been provided (and the Borrower shall (A) be required to pay to each of the Issuing Lender and the Swingline Lender, as applicable, the amount of such fee allocable to its Fronting Exposure arising from that Defaulting Lender and (B) not be required to pay the remaining amount of such fee that otherwise would have been required to have been paid to that Defaulting Lender) and (y) shall be limited in its right to receive Letter of Credit Fees as provided in Section 2.26(f).

(iv) Reallocation of Revolving Percentages to Reduce Fronting Exposure. If any Revolving L/C Exposure or Swingline Exposure exist at the time a Lender is a Defaulting Lender:

(x) such Revolving L/C Exposure or Swingline Exposure will automatically be reallocated (effective on the day such Lender becomes a Defaulting Lender) among the non-Defaulting Lenders on a pro-rata basis in accordance with their respective Revolving Commitment (without giving effect to the Revolving Commitment of such Defaulting Lender); provided that (A) no non-Defaulting Lender's Revolving Percentage of the Revolving Loans, the Revolving L/C Exposure and the Swingline Exposure may in any event exceed its Revolving Commitment as in effect at the time of such reallocation, (B) neither such reallocation nor any payment by a non-Defaulting Lender pursuant thereto will constitute a waiver or release of any claim any Loan Party, the Administrative Agent, any Issuing Lender, the Swingline Lender or any other Lender may have against such Defaulting Lender or cause such Defaulting lender to be a non-Defaulting Lender and (C) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default exists;

(y) to the extent any portion (the "unallocated portion") of the Defaulting Lender's Revolving L/C Exposure or Swingline Exposure cannot be reallocated to non-Defaulting Lenders the Borrower will, not later than three Business Days after written demand therefor by the Administrative Agent (at the direction of any Issuing Lender or the Swingline Lender), (A) Cash Collateralize in full its obligations to the Issuing Lenders in respect of the unreallocated portion of such Revolving L/C Exposure, (B) prepay in full its obligations to the Swingline Lender in respect of the unreallocated portion of such Swingline Exposure or (C) make other arrangements reasonably satisfactory to the Administrative Agent and to the Issuing Lenders and the Swingline Lender in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender; and

(z) to the extent the unreallocated portion of any Revolving L/C Exposure is Cash Collateralized pursuant to clause (y) above, such Cash Collateral will be applied to reimburse the relevant Issuing Lender for the portion of any unreimbursed drawing under a Letter of Credit to which such unreallocated portion relates and, to the extent the remaining portion of such unreimbursed drawing shall not be reimbursed by the Borrower in accordance with Section 2.26(f), the non-Defaulting Lenders will be required pursuant to Section 2.26(b) to fund participations therein in accordance with clause (x) above.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender and the Issuing Lender agree in writing in their reasonable discretion that a Lender no longer falls within the definition of "Defaulting Lender", the Administrative Agent will so notify the

parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Revolving Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Revolving Percentages, whereupon that Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees or commissions accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

3. REPRESENTATIONS AND WARRANTIES OF BORROWER

In order to induce the Lenders to enter into this Agreement and to make the Loans and issue and participate in the Letters of Credit provided for herein, the Borrower makes the following representations and warranties to the Administrative Agent and the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and issuance of the Letters of Credit:

SECTION 3.1. Corporate Existence and Power.

(a) The Borrower is duly organized and validly existing in good standing under the laws of its jurisdiction of organization and is in good standing or has applied for authority to operate as a foreign corporation or other organization in all jurisdictions where the nature of its properties or business so requires it and where a failure to be in good standing as a foreign corporation or other organization would reasonably be expected to have Material Adverse Effect. Each of the Borrower and each Subsidiary Borrower has the corporate power to execute, deliver and perform its obligations under this Agreement and the other Fundamental Documents and other documents contemplated hereby and to borrow hereunder.

(b) The Subsidiaries of the Borrower are duly organized and are validly existing in good standing under the laws of their respective jurisdictions of organization and are in good standing or have applied for authority to operate as a foreign corporation or other organization in all jurisdictions where the nature of their properties or business so requires it and where a failure to be in good standing as a foreign corporation or other organization would reasonably be expected to have Material Adverse Effect.

SECTION 3.2. Corporate Authority, No Violation and Compliance with Law.

The execution, delivery and performance of this Agreement and the other Fundamental Documents and the borrowings hereunder (a) have been duly authorized by all necessary corporate action on the part of the Borrower and each Subsidiary Borrower, (b) will not violate any provision of any Applicable Law (including any laws related to franchising) applicable to the Borrower or any of its Subsidiaries or any of their respective properties or assets, (c) will not violate any provision of the certificate of incorporation or by-laws or other organizational documents of the Borrower or any of its Subsidiaries, (d) will not violate or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, any material indenture, bond, note, instrument or any other material agreement to which the Borrower or any of its Subsidiaries is a party or by which the Borrower or any of its Subsidiaries or any of their respective properties or assets are bound and (e) will not result in the creation or imposition of any Lien upon any property or assets of the Borrower or any of its

Subsidiaries other than pursuant to this Agreement or any other Fundamental Document, which in the case of clauses (b) and (d), individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.3. Governmental and Other Approval and Consents.

No action, consent or approval of, or registration or filing with, or any other action by, any governmental agency, bureau, commission or court is required in connection with the execution, delivery and performance by the Borrower and each Subsidiary Borrower of this Agreement or the other Fundamental Documents, except such as have been obtained or made and are in full force and effect or where the failure to take such action or obtain such consent or approval would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.4. Financial Statements of Borrower.

The audited balance sheet of the Borrower and its Consolidated Subsidiaries as at December 31, 2008 and December 31, 2009, and the related consolidated statements of income and of cash flows for the fiscal years ended on such date (the "Consolidated Financial Statements"), fairly present the financial condition of the Borrower and its Consolidated Subsidiaries as of the dates indicated and the results of operations and cash flows for the periods indicated in conformity with GAAP.

SECTION 3.5. No Change.

Except for Disclosed Matters, since the date of the most recent audited financial statements referred to in Section 3.4, there has been no development or event that has had or would reasonably be expected to have a Material Adverse Effect.

SECTION 3.6. Copyrights, Patents and Other Rights.

Each of the Borrower and its Subsidiaries (a) owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect and (b) to their knowledge, the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except, in each case, as would not reasonably be expected to have a Material Adverse Effect for any such infringements that, individually or in the aggregate, would not reasonably be expected to have Material Adverse Effect.

SECTION 3.7. Title to Properties.

Subject to Section 3.6, each of the Borrower or its Subsidiaries has good title or valid leasehold interests to each of the properties and assets reflected on the most recent balance sheet referred to in Section 3.4 (other than properties or assets owned by a Person that is consolidated with the Borrower or any of its Subsidiaries under GAAP but is not a Subsidiary of the Borrower), except for defects in title or interests that would not reasonably be expected to have Material Adverse Effect, and all such properties and assets are free and clear of Liens, except Permitted Encumbrances.

SECTION 3.8. Litigation.

Except for Disclosed Matters, there are no lawsuits or other proceedings pending (including, but not limited to, matters relating to Environmental Law and Environmental Liability), or, to the knowledge of the Borrower, threatened, against or affecting the Borrower or any of its Subsidiaries or

any of their respective properties, by or before any Governmental Authority or arbitrator, which would reasonably be expected to have Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries is in default with respect to any order, writ, injunction, decree, rule or regulation of any Governmental Authority, which default would reasonably be expected to have Material Adverse Effect.

SECTION 3.9. Federal Reserve Regulations.

Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans will be used, whether immediately, incidentally or ultimately, for any purpose violative of or inconsistent with any of the provisions of Regulation U or X of the Board.

SECTION 3.10. Investment Company Act.

The Borrower is not, and will not during the term of this Agreement be, an “investment company” subject to regulation under the Investment Company Act of 1940, as amended.

SECTION 3.11. Enforceability.

This Agreement and the other Fundamental Documents when executed by all parties hereto and thereto will constitute legal, valid and binding obligations (as applicable) of the Borrower and the other Loan Parties party to such Fundamental Documents (enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law).

SECTION 3.12. Taxes.

Each of the Borrower and each of its Subsidiaries has filed or caused to be filed all federal, state and local Tax returns which are required to be filed, and has paid or has caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in conformity with GAAP or (b) to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.13. Compliance with ERISA.

Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (a) no ERISA Event has occurred or is reasonably expected to occur; (b) the Borrower, each of its Material Subsidiaries and each of its ERISA Affiliates is in compliance with the provisions of ERISA and the Code applicable to Plans, and the regulations and published interpretations thereunder applicable to such entity in connection therewith, if any; (c) neither the Borrower nor any of its Subsidiaries has engaged in a transaction which would result in the incurrence of liability under Section 4069 of ERISA; and (d) the present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans.

SECTION 3.14. Disclosure.

As of the Closing Date, neither this Agreement nor any factual information set forth in the Confidential Information Memorandum (excluding projections, other forward looking information and information of a general economic or industry nature) dated January 27, 2010, when taken as a whole contained any untrue statement of a material fact or omitted to state a material fact, under the circumstances under which it was made, necessary in order to make the statements contained herein or therein not materially misleading in light of the circumstances under which such statements were made. At the Closing Date, there is no fact known to the Borrower which has not been disclosed to the Lenders and which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. The Borrower has delivered to the Administrative Agent certain projections relating to the Borrower and its Consolidated Subsidiaries. Such projections are based on good faith estimates and assumptions believed to be reasonable at the time made, provided, however, that the Borrower makes no representation or warranty that such assumptions will prove in the future to be accurate or that the Borrower and its Subsidiaries will achieve the financial results reflected in such projections (it being understood that such Projections are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, that no assurance can be given that any particular Projections will be realized and that actual results may differ and that such differences may be material).

SECTION 3.15. Environmental Liabilities.

Except for the Disclosed Matters and except with respect to any matters, that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has received notice of any claim with respect to any Environmental Liability or (iii) knows of any circumstances that are reasonably likely to become the basis for any claim of Environmental Liability against the Borrower or any of its Subsidiaries.

SECTION 3.16. Material Subsidiaries

The Material Subsidiaries existing on the Closing Date (calculated as of December 31, 2009) are listed on Schedule 3.16.

SECTION 3.17. Anti-Terrorism Laws

The Borrower is not and, to the knowledge of the Borrower, none of its Affiliates is in violation of any laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107 56.

The Borrower is not and, to the knowledge of the Borrower, none of its Affiliates or their respective brokers or other agents acting or benefiting in any capacity in connection with the Loans is any of the following:

(a) a Person or entity that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(b) a Person or entity owned or controlled by, or acting for or on behalf of, any Person or entity that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(c) a Person or entity with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(d) a Person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(e) a Person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website or any replacement website or other replacement official publication or such list.

The Borrower is not and, to the knowledge of the Borrower, none of its brokers or other agents acting in any capacity in connection with the Loans (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in clause (b) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

4. CONDITIONS OF LENDING

SECTION 4.1. Conditions Precedent to Closing.

The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction or waiver, prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received this Agreement and any Notes requested in writing at least three Business Days prior to the Closing Date, each executed and delivered by a duly authorized officer of each of the Loan Parties party thereto.

(b) Financial Statements. The Lenders shall have received the Consolidated Financial Statements, which, in the case of the Consolidated Financial Statements for 2008 and 2009, may be delivered to the Lenders by delivery of the Borrower's Form 10-K filed with the Securities and Exchange Commission containing such financial statements.

(c) Payment of Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), at least three Business Days before the Closing Date.

(d) Corporate Documents for the Loan Parties. The Administrative Agent shall have received a certificate of an authorized officer of each Loan Party dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the certificate of incorporation and by-laws of such Loan Party as in effect on the date of such certification; (B) that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of such Loan Party authorizing the

borrowings hereunder, in the case of the Borrower, and the execution, delivery and performance in accordance with their respective terms of the Fundamental Documents to which such Loan Party is party to and any other documents required or contemplated hereunder; and (C) as to the incumbency and specimen signature of each officer of such Loan Party executing the Fundamental Documents to which such Loan Party is a party to or any other document delivered by it in connection herewith (such certificate to contain a certification by another officer of such Loan Party as to the incumbency and signature of the officer signing the certificate referred to in this paragraph (d)).

(e) Opinions of Counsel. The Administrative Agent shall have received the executed written opinion, dated the date of the Closing Date and addressed to the Administrative Agent and the Lenders, of Kirkland & Ellis LLP, counsel to the Borrower, substantially in the form of Exhibit A.

(f) Officer's Certificate. The Administrative Agent shall have received a certificate of the Borrower's chief executive officer or chief financial officer certifying, as of the Closing Date, compliance with the conditions set forth in paragraphs (b) and (c) of Section 4.2.

(g) Projections. The Lenders shall have received projections through 2013, which may be delivered to the Lenders by delivery of the Confidential Information Memorandum referred to in Section 3.14.

(h) Approvals. All material governmental and third party approvals necessary in connection with the continuing operations of the Borrower and the financing contemplated hereby shall have been obtained and be in full force and effect.

(i) Material Adverse Effect. The Lenders shall be satisfied that (i) there has been no development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect since December 31, 2009 and (ii) the Borrower and its subsidiaries are not party to or subject to any litigation or proceeding which would be likely to have a Material Adverse Effect.

(j) Existing Credit Agreement. The Existing Credit Agreement shall have been terminated and all unpaid amounts thereunder (other than unasserted contingent obligations which by their terms survive termination) shall have been paid in full.

(k) Patriot Act. The Administrative Agent and the Lenders shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, requested by such Person at least three Business Days prior to the Closing Date.

SECTION 4.2. Conditions Precedent to Each Extension of Credit

The obligation of the Lenders to make each Loan and of any Issuing Lender to issue a Letter of Credit, including the initial extensions of credit hereunder, is subject to the following conditions precedent:

(a) Notice. The Administrative Agent shall have received a notice with respect to such Borrowing, Letter of Credit as required by this Agreement.

(b) Representations and Warranties. The representations and warranties set forth in Section 3 hereof and in the other Fundamental Documents shall be true and correct in all material respects on and as of the date of each Borrowing or issuance of a Letter of Credit hereunder (except to the extent that such representations and warranties expressly relate to an earlier date) with the same effect as if made

on and as of such date; provided, however, that this condition shall not apply to a Revolving Credit Borrowing which is solely refinancing outstanding Revolving Credit Loans and which, after giving effect thereto, has not increased the aggregate amount of outstanding Revolving Credit Loans.

(c) No Event of Default. No Event of Default or Default shall have occurred and be continuing;provided, however, that this condition shall not apply to a Revolving Credit Borrowing which is solely refinancing outstanding Revolving Credit Loans and which, after giving effect thereto, has not increased the aggregate amount of outstanding Revolving Credit Loans.

(d) Extensions of Credit to a Subsidiary Borrower. The representations and warranties contained in Section 3.1, 3.2 and 3.3 as to any Subsidiary Borrower to which a Revolving Extension of Credit is to be made shall be true and correct in all material respects on and as of the date of such Borrowing or issuance of a Letter of Credit hereunder; provided, however, that this condition shall not apply to a Revolving Credit Borrowing which is solely refinancing outstanding Revolving Credit Loans and which, after giving effect thereto, has not increased the aggregate amount of outstanding Revolving Credit Loans.

Each Borrowing and each issuance of a Letter of Credit shall be deemed to be a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (b) and (c) of this Section.

5. AFFIRMATIVE COVENANTS

From the date of the initial Loan and for so long as the Commitments shall be in effect or any amount shall remain outstanding or unpaid under this Agreement or there shall be any outstanding L/C Exposure, the Borrower agrees that, unless the Required Lenders shall otherwise consent in writing, it will, and will cause each of its Subsidiaries to:

SECTION 5.1. Financial Statements, Reports, etc.

The Borrower will furnish to the Administrative Agent and to each Lender:

(a) As soon as is practicable, but in any event within 100 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of, and the related consolidated statements of income, shareholders' equity and cash flows for such year, and the corresponding figures as at the end of, and for, the preceding fiscal year, accompanied by an opinion of Deloitte & Touche LLP or such other independent certified public accountants of recognized standing as shall be retained by the Borrower and reasonably satisfactory to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards relating to reporting and which report and opinion shall (A) be unqualified as to going concern and scope of audit and shall state that such financial statements fairly present the financial condition of the Borrower and its Consolidated Subsidiaries, as at the dates indicated and the results of the operations and cash flows for the periods indicated and (B) contain no material exceptions or qualifications except for qualifications relating to accounting changes (with which such independent public accountants concur) in response to FASB releases or other authoritative pronouncements;

(b) As soon as is practicable, but in any event within 55 days after the end of each of the first three fiscal quarters of each fiscal year, the unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries, as at the end of, and the related unaudited statements of income (or changes in financial position) for such quarter and for the period from the beginning of the then current fiscal year

to the end of such fiscal quarter and the corresponding figures as at the end of, and for, the corresponding period in the preceding fiscal year, together with a certificate signed by the chief financial officer or a vice president responsible for financial administration of the Borrower to the effect that such financial statements, while not examined by independent public accountants, fairly present in all material respects the financial condition of the Borrower and its Consolidated Subsidiaries, as at the end of the fiscal quarter and portion of the fiscal year then ended and the results of their operations for the quarter and portion of the fiscal year then ended in conformity with GAAP consistently applied, subject only to year-end audit adjustments and to the absence of footnote disclosure;

(c) Together with the delivery of the statements referred to in paragraphs (a) and (b) of this Section 5.1, a certificate of the Responsible Officer, substantially in the form of Exhibit C hereto (i) stating whether or not the signer has actual knowledge of any Default or Event of Default and, if so, specifying each such Default or Event of Default of which the signer has actual knowledge, the nature thereof and any action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event and (ii) demonstrating in reasonable detail compliance with the provisions of Sections 6.5 and 6.6 hereof;

(d) With reasonable promptness, copies of such financial statements and reports that the Borrower may make to, or file with, the SEC and such other information, certificates and data (including, without limitation, copies of Letters of Credit) with respect to the Borrower and its Subsidiaries as from time to time may be reasonably requested by the Administrative Agent or any of the Lenders;

(e) Promptly upon any Responsible Officer obtaining actual knowledge of the occurrence of any Default or Event of Default, a certificate of a Responsible Officer specifying the nature and period of existence of such Default or Event of Default and what action the Borrower has taken, is taking and proposes to take with respect thereto; and

(f) Promptly upon any Responsible Officer of the Borrower or any of its Subsidiaries obtaining actual knowledge of (i) the institution of any action, suit, proceeding, investigation or arbitration by any Governmental Authority or other Person against or affecting the Borrower or any of its Subsidiaries or any of their assets, or (ii) any material development in any such action, suit, proceeding, investigation or arbitration (whether or not previously disclosed to the Lenders), which, in each case would reasonably be expected to have a Material Adverse Effect, the Borrower shall promptly give notice thereof to the Lenders and provide such other information as may be requested by the Administrative Agent or any Lender that is reasonably available to it (without waiver of any applicable evidentiary privilege) to enable the Lenders to evaluate such matters;

(g) Together with each set of financial statements required by paragraph (a) above, a certificate of the independent certified public accountants rendering the report and opinion thereon (which certificate may be limited to the extent required by accounting rules or otherwise) stating that, in connection with their audit, nothing has come to their attention that caused them to believe that the Borrower failed to comply with the terms, covenants, provisions or conditions of Sections 5.4, 5.5, 5.6, 6.1, 6.2 and 6.4 through 6.7, inclusive, or if a failure to comply has come to their attention, specifying the nature and period of existence thereof;

(h) Information required to be delivered pursuant to paragraphs (a), (b) and (d) shall be deemed to have been delivered on the date on which the Borrower provides notice to the Administrative Agent that such information has been posted on the Borrower's website on the internet at the website address listed on the signature pages of such notice, at www.sec.gov or at another website accessible by the Lenders without charge; provided that the Borrower shall deliver paper copies of the reports and financial statements referred to in paragraphs (a), (b) and (d) of this Section 5.1 to the Administrative

Agent or any Lender who requests the Borrower to deliver such paper copies until written notice to cease delivering paper copies is given by the Administrative Agent or such Lender.

SECTION 5.2. Corporate Existence; Compliance with Statutes.

Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its corporate existence, material rights, licenses, permits and franchises and comply, except where failure to comply, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, with all provisions of Applicable Law, and all applicable restrictions imposed by, any Governmental Authority, including without limitation, the Federal Trade Commission's "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" as amended from time to time (16 C.F.R. §§ 436.1 et seq.) and all state laws and regulations of similar import; provided, however, that mergers, dissolutions and liquidations permitted under Section 6.2 shall be permitted.

SECTION 5.3. Insurance.

Maintain with financially sound and reputable insurers insurance in such amounts and against such risks as are customarily insured against by companies in similar businesses; provided, however, that (a) workmen's compensation insurance or similar coverage may be effected with respect to its operations in any particular state or other jurisdiction through an insurance fund operated by such state or jurisdiction and (b) such insurance may contain self-insurance retention and deductible levels consistent with normal industry practices.

SECTION 5.4. Taxes and Charges.

Duly pay and discharge, or cause to be paid and discharged, before the same shall become delinquent, all federal, state or local Taxes, assessments, levies and other governmental charges, imposed upon the Borrower or any of its Subsidiaries or their respective properties, sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies which if unpaid would reasonably be expected to result in a Material Adverse Effect; provided, however, that any such Tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower shall have set aside on its books reserves (the presentation of which is segregated to the extent required by GAAP) adequate with respect thereto if reserves shall be deemed necessary by the Borrower in accordance with GAAP; and provided, further, that the Borrower will pay all such Taxes, assessments, levies or other governmental charges forthwith upon the commencement of proceedings to foreclose any material Lien which may have attached as security therefor (unless the same is fully bonded or otherwise effectively stayed).

SECTION 5.5. ERISA Compliance and Reports.

Furnish to the Administrative Agent: (a) as soon as possible, and in any event within 30 days after any executive officer (as defined in Regulation C under the Securities Act of 1933) of the Borrower actually knows that any ERISA Event with respect to any Plan has occurred, a statement of the chief financial officer of the Borrower, setting forth details as to such ERISA Event and the action which it proposes to take with respect thereto, together with a copy of the notice of such ERISA Event, if any, required to be filed with the PBGC by the Borrower or any of its Subsidiaries; (b) promptly after receipt thereof, a copy of any notice the Borrower or any of its Subsidiaries may receive from the PBGC relating to the PBGC's intention to terminate any Plan or to appoint a trustee to administer any Plan; provided that the Borrower shall not be required to notify the Administrative Agent of the occurrence of any of the

events set forth in the preceding clauses (a) and (b) unless such event, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect on the Borrower and its Subsidiaries taken as a whole; or (c) promptly upon the reasonable request of the Administrative Agent, copies of each annual and other report filed with the IRS, DOL or PBGC with respect to any Plan.

SECTION 5.6. Maintenance of and Access to Books and Records; Examinations.

Maintain or cause to be maintained at all times true and complete in all material respects books and records of its financial operations (in accordance with GAAP) and provide the Administrative Agent and its representatives reasonable access to all such books and records and to any of their properties or assets during regular business hours and upon advance written notice (provided that reasonable access to such books and records and to any of the Borrower's properties or assets shall be made available to the Lenders if an Event of Default has occurred and is continuing), in order that the Administrative Agent may make such audits and examinations and make abstracts from such books, accounts and records (in each case subject to the Borrower or its Subsidiaries' obligations under applicable confidentiality provisions) and may discuss the affairs, finances and accounts with, and be advised as to the same by, officers and, so long as a representative of the Borrower is present, independent accountants, all as the Administrative Agent may deem appropriate for the purpose of verifying the various reports delivered pursuant to this Agreement or for otherwise ascertaining compliance with this Agreement. Notwithstanding Section 10.4, unless any such visit or inspection is conducted after the occurrence and during the continuance of a Default or an Event of Default, the Borrower shall not be required to pay any costs or expenses incurred by the Administrative Agent, any Lender or any other Person in connection with such visit or inspection.

SECTION 5.7. Maintenance of Properties.

Keep its properties which are material to its business in good repair, working order and condition consistent with industry practice, ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.8. Changes in Character of Business.

Cause the Borrower and its Subsidiaries taken as a whole to be primarily engaged in the vacation ownership, vacation rental and exchange, lodging and franchising and services businesses.

6. NEGATIVE COVENANTS

From the date of the initial Loan and for so long as the Commitments shall be in effect or any amount shall remain outstanding or unpaid under this Agreement or there shall be any outstanding L/C Exposure, unless the Required Lenders shall otherwise consent in writing, the Borrower agrees that it will not, nor will it permit any of its Subsidiaries to, directly or indirectly:

SECTION 6.1. Limitation on Indebtedness.

Incur, assume or suffer to exist any Indebtedness of any Material Subsidiary except:

(a) Indebtedness in existence on the Closing Date, or required to be incurred pursuant to a contractual obligation in existence on the Closing Date and any refinancing, extensions, renewals or modifications thereof, so long as such refinancing, renewals, extensions or modifications (i) do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, extended or modified

(other than increases to pay fees and expenses incurred in connection therewith), and (ii) rank pari-passu with the Indebtedness being refinanced;

(b) Indebtedness (including Capital Leases) incurred in connection with or as a component of the purchase price of any property of any Material Subsidiary or that was existing on any property acquired by such Material Subsidiary at the time of acquisition thereof by such Material Subsidiary and assumed in connection with such acquisition (other than Indebtedness issued in connection with, or in anticipation of, such acquisitions) or otherwise incurred to finance the acquisition, construction or improvement of any property (including, without limitation, Indebtedness incurred to finance the cost of acquisition or construction of such property within 24 months after such acquisition or the completion of such improvement or construction); and any refinancing, extension or renewals of such Indebtedness as long as such refinancing, extensions, renewals or modifications (i) do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, extended or modified (other than increases to pay fees and expenses incurred in connection therewith), (ii) do not result in a change of the obligors in respect of such Indebtedness and (iii) rank pari-passu with the Indebtedness being refinanced;

(c) Guaranty Obligations;

(d) Indebtedness owing by any Material Subsidiary to the Borrower or any other Subsidiary;

(e) Indebtedness of any Material Subsidiary issued and outstanding prior to the date on which such Person became a Subsidiary of the Borrower (other than Indebtedness issued in connection with, or in anticipation of, such Person becoming a Subsidiary of the Borrower); provided that immediately prior and on a Pro Forma Basis after giving effect to, such Person becoming a Subsidiary of the Borrower, no Default or Event of Default shall occur or then be continuing and the aggregate principal amount of such Indebtedness, when added to the aggregate outstanding principal amount of Indebtedness permitted by paragraphs (f) and (g) below, shall not exceed the greater of 15% of Consolidated Net Worth and $200,000,000;

(f) any refinancing, renewal, extension or modification of Indebtedness under paragraph (e) above so long as such refinancing, renewals, extensions or modifications (i) do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, extended or modified (other than increases to pay fees and expenses incurred in connection therewith), and (ii) rank pari-passu with the Indebtedness being refinanced;

(g) other Indebtedness of any Material Subsidiary in an aggregate principal amount which, when added to the aggregate outstanding principal amount of Indebtedness permitted by paragraphs (e) and (f) above, does not exceed the greater of 15% of Consolidated Net Worth and $200,000,000;

(h) Securitization Indebtedness;

(i) derivatives transactions entered into in the ordinary course of business pursuant to hedging programs;

(j) Indebtedness under the Landal Facilities in an aggregate principal amount not to exceed $250,000,000;

(k) Indebtedness under the WVRAP Facilities in an aggregate principal amount not to exceed $200,000,000, provided that the amount of Indebtedness permitted under this Section 6.1(k) shall

be reduced in an equal amount by the amount of Securitization Indebtedness incurred by WVRAP or any of its Subsidiaries;

(l) Non-Recourse Indebtedness in an aggregate principal amount not to exceed $100,000,000;

(m) Indebtedness of any Subsidiary issued and outstanding prior to the date on which such Person became a Material Subsidiary (other than Indebtedness issued in connection with, or in anticipation of, such Person becoming a Material Subsidiary) and any refinancing, renewal, extension or modification of such Indebtedness so long as such refinancing, renewals, extensions or modifications (i) do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, extended, or modified (other than increases to pay fees and expenses incurred in connection therewith) and (ii) rank pari-passu with the Indebtedness being refinanced; and

(n) Indebtedness of any Loan Party pursuant to any Fundamental Document.

If the Material Subsidiary's action or event meets the criteria of more than one of the types of Indebtedness described in the clauses above, the Borrower in its sole discretion may classify such action or event in one or more clauses (including in part under one such clause and in part under another such clause).

SECTION 6.2. Consolidation, Merger, Sale of Assets.

(a) Neither the Borrower nor any of its Material Subsidiaries (in one transaction or series of transactions) will wind up, liquidate or dissolve its affairs, or enter into any transaction of merger or consolidation, except any merger, consolidation, dissolution or liquidation (i) in which the Borrower is the surviving entity or if the Borrower is not a party to such transaction then a Subsidiary is the surviving entity or the successor to the Borrower has unconditionally assumed in writing all of the payment and performance obligations of the Borrower under this Agreement and the other Fundamental Documents, (ii) in which the surviving entity becomes a Subsidiary of the Borrower immediately upon the effectiveness of such merger, consolidation, dissolution or liquidation, or (iii) involving a Subsidiary in connection with a transaction permitted by Section 6.2(b); provided, however, that immediately prior to and on a Pro Forma Basis after giving effect to any such transaction described in any of the preceding clauses (i), (ii) and (iii) no Default or Event of Default has occurred and is continuing.

(b) The Borrower and its Material Subsidiaries (whether in one transaction or series of related transactions) will not sell or otherwise dispose of all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole.

SECTION 6.3. Limitations on Liens.

Suffer any Lien on the property of the Borrower or any of the Material Subsidiaries, except:

(a) Liens for taxes, assessments, governmental charges and other similar obligations not yet due or which are being contested in good faith by appropriate proceedings;

(b) Liens incidental to the conduct of its business or the ownership of its assets which were not incurred in connection with the borrowing of money, and which do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(c) Liens securing Indebtedness permitted by Section 6.1(b) if (i) such Liens secure Indebtedness in an amount no greater than cost of the acquisition, construction or improvement of such property so financed (plus fees and expenses incurred in connection therewith); (ii) such Liens do not extend to or cover any property of any Material Subsidiary other than the property so acquired, constructed or improved and, in the case of tangible assets, other property which is an improvement to or is acquired for specific use in connection with such acquired property or which is property being improved by such acquired property and (iii) such transaction does not otherwise violate this Agreement;

(d) Liens upon real and/or personal property, which property was acquired after the Closing Date (by purchase, construction or otherwise) by the Borrower or any of its Material Subsidiaries, each of which Liens existed on such property before the time of its acquisition and was not created in anticipation thereof; provided, however, that no such Lien shall extend to or cover any property of the Borrower or such Material Subsidiary other than the respective property so acquired and improvements thereon;

(e) to the extent not covered by clause (b) above, Liens securing judgments which do not constitute an Event of Default;

(f) Liens created under any Fundamental Document;

(g) Liens existing on the Closing Date and any extensions or renewals thereof;

(h) Liens securing (or covering property constituting the source of payment for) any Indebtedness permitted pursuant to clauses (d), (h), (j), (k) or (l) of Section 6.1;

(i) to the extent not covered by clause (h) above, Liens on equity interests or other securities issued by a Securitization Entity, securing (or covering property constituting the source of payment for) Securitization Indebtedness; and

(j) other Liens securing obligations having an aggregate principal amount not to exceed the greater of 15% of Consolidated Net Worth and $200,000,000.

If the Borrower’s or the Material Subsidiary’s action or event meets the criteria of more than one of the types of Liens described in the clauses above, the Borrower in its sole discretion may classify such action or event in one or more clauses (including in part under one such clause and in part under another such clause).

SECTION 6.4. Sale and Leaseback.

Enter into any arrangement with any Person or Persons, whereby in contemporaneous transactions the Borrower or any of its Material Subsidiaries sells essentially all of its right, title and interest in a material asset and the Borrower or any of its Material Subsidiaries acquires or leases back the right to use such property except that the Borrower and its Subsidiaries may enter into sale-leaseback transactions relating to assets not in excess of $150,000,000 in the aggregate on a cumulative basis, and except any arrangements existing on the Closing Date, including but not limited to sale-leaseback transactions existing under the Landal Facilities, and any renewals, extensions or modifications thereof, or replacements or substitutions therefor, so long as such renewals, extensions or modifications are effected on substantially the same terms or on terms which, in the aggregate, are not more adverse to the Lenders in any material respect.

SECTION 6.5. Consolidated Leverage Ratio.

Permit the Consolidated Leverage Ratio for any Rolling Period ending after March 31, 2010 to be greater than 3.75 to 1.0.

SECTION 6.6. Consolidated Interest Coverage Ratio.

Permit the Consolidated Interest Coverage Ratio for any Rolling Period ending after March 31, 2010 to be less than 3.0 to 1.0.

SECTION 6.7. Accounting Practices.

Establish a fiscal year ending on any date other than December 31, or modify or change accounting treatments or reporting practices except as otherwise required or permitted by GAAP or the SEC.

7. EVENTS OF DEFAULT

In the case of the happening and during the continuance of any of the following events (herein called 'Events of Default"):

(a) any representation or warranty made by the Borrower or any Subsidiary Borrower in this Agreement or any other Fundamental Document or in connection with this Agreement or with the Borrowings hereunder, or any statement or representation made in any report, financial statement, certificate or other document furnished by or on behalf of the Borrower or any of its Subsidiaries to the Administrative Agent or any Lender under or in connection with this Agreement, shall prove to have been false or misleading in any material respect when made or delivered;

(b) default shall be made in the payment of any principal of or interest on any Loan, any reimbursement obligation with respect to Letters of Credit, or of any fees or other amounts payable by the Borrower or any Subsidiary Borrower hereunder, when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise, and (i) in the case of payments of interest, Facility Fees and fees payable under Section 2.26, such default shall continue unremedied for five days, and (ii) in the case of payments other than of any principal amount of or interest on any Loan or any reimbursement obligation with respect to Letters of Credit, Facility Fees and fees payable under Section 2.26, such default shall continue unremedied for five days after written notice of non-payment has been received by the Borrower or such Subsidiary Borrower from the Administrative Agent;

(c) default shall be made in the due observance or performance of any covenant, condition or agreement contained in Section 5.1(e) (with respect to notice of Default or Events of Default) or Section 6 of this Agreement;

(d) default shall be made by the Borrower in the due observance or performance of any other covenant, condition or agreement to be observed or performed pursuant to the terms of this Agreement, or any other Fundamental Document and such default shall continue unremedied for thirty days after notice has been given to the Borrower by the Administrative Agent of such default;

(e) (i) default in payment shall be made with respect to any Indebtedness of the Borrower or any of its Material Subsidiaries (other than Securitization Indebtedness) where the amount or amounts of such Indebtedness exceeds $50,000,000 in the aggregate; or (ii) default in payment or

performance shall be made with respect to any Indebtedness of the Borrower or any of its Material Subsidiaries (other than Securitization Indebtedness) where the amount or amounts of such Indebtedness exceeds $50,000,000 in the aggregate, if the effect of such default is to result in the acceleration of the maturity of such Indebtedness; or (iii) any other circumstance shall arise (other than the mere passage of time) by reason of which the Borrower or any Material Subsidiary of the Borrower is required to redeem or repurchase, or offer to holders the opportunity to have redeemed or repurchased, any such Indebtedness (other than Securitization Indebtedness) where the amount or amounts of such Indebtedness exceeds $50,000,000 in the aggregate; provided that clause (iii) shall not apply to secured Indebtedness that becomes due as a result of a voluntary sale of the property or assets securing such Indebtedness or Indebtedness that is redeemed or repurchased at the option of the Borrower or any of its Material Subsidiaries; provided, that clauses (ii) and (iii) shall not apply to any Indebtedness of any Subsidiary issued and outstanding prior to the date such Subsidiary became a Material Subsidiary of the Borrower (other than Indebtedness issued in connection with, or in anticipation of, such Subsidiary becoming a Material Subsidiary of the Borrower) if such default or circumstance arises solely as a result of a "change of control" provision applicable to such Indebtedness which becomes operative as a result of the acquisition of such Subsidiary by the Borrower or any of its Subsidiaries; and provided, further, that in the case of any derivative transaction described in Section 6.1(i), each reference in this clause (e) to the amount of $50,000,000 shall mean the amount payable by the Borrower or any of its Material Subsidiaries in connection with a default or "other circumstance" described in clause (i), (ii) or (iii) and not to the notional amount of such derivative transaction;

(f) the Borrower or any of its Material Subsidiaries shall generally not pay its debts as they become due or shall admit in writing its inability to pay its debts, or shall make a general assignment for the benefit of creditors; or the Borrower or any of its Material Subsidiaries shall commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property or shall file an answer or other pleading in any such case, proceeding or other action admitting the material allegations of any petition, complaint or similar pleading filed against it or consenting to the relief sought therein; or the Borrower or any Material Subsidiary thereof shall take any action to authorize any of the foregoing;

(g) any involuntary case, proceeding or other action against the Borrower or any of its Material Subsidiaries shall be commenced seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action (i) results in the entry of any order for relief against it or (ii) shall remain undismissed for a period of sixty days;

(h) the occurrence of a Change in Control;

(i) final judgment(s) for the payment of money in excess of $50,000,000 (to the extent not paid or covered by insurance) shall be rendered against the Borrower or any of its Material Subsidiaries which within thirty days from the entry of such judgment shall not have been discharged or stayed pending appeal or which shall not have been discharged within thirty days from the entry of a final order of affirmance on appeal; or

(j) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred (with respect to which the Borrower has a liability which has not yet been satisfied), would result in a Material Adverse Effect;

then, in every such event and at any time thereafter during the continuance of such event, the Administrative Agent may or shall, if directed by the Required Lenders, take either or both of the following actions, at the same or different times: terminate forthwith the Commitments and/or declare the principal of and the interest on the Loans and all other amounts payable hereunder or thereunder to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without presentment, demand, protest, notice of acceleration, notice of intent to accelerate or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement to the contrary notwithstanding. If an Event of Default specified in paragraphs (f) or (g) above shall have occurred, the principal of and interest on the Loans and all other amounts payable hereunder or thereunder shall thereupon and concurrently become due and payable without presentment, demand, protest, notice of acceleration, notice of intent to accelerate or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement to the contrary notwithstanding and the Commitments of the Lenders shall thereupon forthwith terminate. Upon acceleration of payment of the Loans, all obligations under this Agreement denominated in currencies other than Dollars shall, at the option of the Administrative Agent, be converted to Dollars in accordance with this Agreement.

8. THE ADMINISTRATIVE AGENT AND EACH ISSUING LENDER

SECTION 8.1. Administration by Administrative Agent.

The general administration of the Fundamental Documents and any other documents contemplated by this Agreement shall be by the Administrative Agent or its designees. Each of the Lenders hereby irrevocably authorizes the Administrative Agent, at its discretion, to take or refrain from taking such actions as agent on its behalf and to exercise or refrain from exercising such powers under the Fundamental Documents and any other documents contemplated by this Agreement as are delegated by the terms hereof or thereof, as appropriates together with all powers reasonably incidental thereto. The Administrative Agent shall have no duties or responsibilities except as set forth in the Fundamental Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.9), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries or Affiliates that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.9) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower, any Subsidiary Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this

Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 4 or elsewhere herein. Any Lender which is not the Administrative Agent (regardless of whether such Lender bears the title of any other Agent or any similar title, as indicated on the signature pages hereto) for the credit facility hereunder shall not have any duties or responsibilities except as a Lender hereunder.

SECTION 8.2. Advances and Payments.

(a) On the date of each Loan, the Administrative Agent shall be authorized (but not obligated) to advance, for the account of each of the Lenders, the amount of the Loan to be made by it in accordance with this Agreement. Each of the Lenders hereby authorizes and requests the Administrative Agent to advance for its account, pursuant to the terms hereof, the amount of the Loan to be made by it, unless with respect to any Lender, such Lender has theretofore specifically notified the Administrative Agent that such Lender does not intend to fund that particular Loan. Each of the Lenders agrees forthwith to reimburse the Administrative Agent in immediately available funds for the amount so advanced on its behalf by the Administrative Agent pursuant to the immediately preceding sentence. If any such reimbursement is not made in immediately available funds on the same day on which the Administrative Agent shall have made any such amount available on behalf of any Lender in accordance with this Section 8.2, such Lender shall pay interest to the Administrative Agent at a rate per annum equal to the Administrative Agent's cost of obtaining overnight funds in the New York Federal Funds Market. Notwithstanding the preceding sentence, if such reimbursement is not made by the second Business Day following the day on which the Administrative Agent shall have made any such amount available on behalf of any Lender or such Lender has indicated that it does not intend to reimburse the Administrative Agent, the Borrower or the relevant Subsidiary Borrower shall immediately pay such unreimbursed advance amount (plus any accrued, but unpaid interest at the rate applicable to ABR Loans) to the Administrative Agent.

(b) Any amounts received by the Administrative Agent in connection with this Agreement the application of which is not otherwise provided for shall be applied, in accordance with each of the Lenders' pro rata interest therein where applicable, first, to pay amounts payable to the Administrative Agent and the Issuing Lenders, second, to pay accrued but unpaid Facility Fees, third, to pay accrued but unpaid interest on the Loans and letter of credit commissions, fourth, to pay the principal balance outstanding on the Loans and unpaid reimbursement obligations in respect of Letters of Credit and fifth to pay other amount payable to the Leaders. All amounts to be paid to any of the Lenders by the Administrative Agent shall be credited to the Lenders, promptly after collection by the Administrative Agent, in immediately available funds either by wire transfer or deposit in such Lender's correspondent account with the Administrative Agent, or as such Lender and the Administrative Agent shall from time to time agree.

SECTION 8.3. Sharing of Setoffs and Cash Collateral.

Each of the Lenders agrees that if it shall, through the operation of Sections 2.21, 2.26(g) or 2.26(h) hereof or the exercise of a right of bank's lien, setoff or counterclaim against the Borrower or any Subsidiary Borrower, including, but not limited to, a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim and received by such Lender under any applicable bankruptcy, insolvency or other similar law, or otherwise, obtain payment in respect of its Revolving Credit Loans, Revolving L/C Exposure or Swingline Participation Amounts as a result of which the unpaid portion of its Revolving Credit Loans, Revolving L/C Exposure or Swingline Participation Amounts, as applicable, is proportionately less than the unpaid portion of any of the other Lenders (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Lenders a participation in the Revolving Credit Loans, Revolving

L/C Exposure or Swingline Participation Amounts, as applicable, of such other Lenders, so that the aggregate unpaid principal amount of each of the Lenders' Revolving Credit Loans, Revolving L/C Exposure and Swingline Participation Amounts and its participation in Revolving Credit Loans, Revolving L/C Exposure and Swingline Participation Amounts of the other Lenders shall be in the same proportion to the aggregate unpaid principal amount of all Revolving Credit Loans, Revolving L/C Exposure and Swingline Participation Amounts then outstanding as the principal amount of its Revolving Credit Loans, Revolving L/C Exposure and Swingline Participation Amounts prior to the obtaining of such payment was to the principal amount of all Revolving Credit Loans, Revolving L/C Exposure and Swingline Participation Amounts outstanding prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Lenders share such payment pro rata.

SECTION 8.4. Notice to the Lenders.

Upon receipt by the Administrative Agent from the Borrower or any Subsidiary Borrower of any communication calling for an action on the part of the Lenders, or upon notice to the Administrative Agent of any Event of Default, the Administrative Agent will in turn immediately inform the other Lenders (including any Issuing Lender) in writing (which shall include telegraphic communications) of the nature of such communication or of the Event of Default, as the case may be.

SECTION 8.5. Liability of Administrative Agent and each Issuing Lender.

(a) The Administrative Agent or any Issuing Lender, when acting on behalf of the Lenders may execute any of its duties under this Agreement by or through its officers, agents, or employees and neither the Administrative Agent, the Issuing Lenders nor their respective directors, officers, agents, or employees shall be liable to the Lenders or any of them for any action taken or omitted to be taken in good faith, or be responsible to the Lenders or to any of them for the consequences of any oversight or error of judgment, or for any loss, unless the same shall happen through its gross negligence or willful misconduct. The Administrative Agent, the Issuing Lenders and their respective directors, officers, agents, and employees shall in no event be liable to the Lenders or to any of them for any action taken or omitted to be taken by it pursuant to instructions received by it from the Required Lenders or in reliance upon the advice of counsel selected by it. Without limiting the foregoing, neither the Administrative Agent, the Issuing Lenders nor any of their respective directors, officers, employees, or agents shall be responsible to any of the Lenders for the due execution, validity, genuineness, effectiveness, sufficiency, or enforceability of, or for any statement, warranty, or representation in, or for the perfection of any security interest contemplated by, this Agreement or any related agreement, document or order, or for the designation or failure to designate this transaction as a "Highly Leveraged Transaction" for regulatory purposes, or shall be required to ascertain or to make any inquiry concerning the performance or observance by the Borrower or any Subsidiary Borrower of any of the terms, conditions, covenants, or agreements of this Agreement or any related agreement or document.

(b) Neither the Administrative Agent, the Issuing Lenders, nor any of their respective directors, officers, employees, or agents shall have any responsibility to the Borrower or any Subsidiary Borrower on account of the failure or delay in performance or breach by any of the Lenders or the Borrower or any Subsidiary Borrower of any of their respective obligations under this Agreement or any related agreement or document or in connection herewith or therewith.

(c) The Administrative Agent, and the Issuing Lenders, in such capacities hereunder, shall be entitled to rely on any communication, instrument, or document reasonably believed by it to be genuine or correct and to have been signed or sent by a Person or Persons believed by it to be the proper

Person or Persons, and it shall be entitled to rely on advice of legal counsel, independent public accountants, and other professional advisers and experts selected by it.

SECTION 8.6. Reimbursement and Indemnification.

Each of the Lenders severally and not jointly agrees (to the extent not reimbursed or otherwise paid by the Borrower or any Subsidiary Borrower (pursuant to Section 10.5 hereof)) (i) to reimburse the Administrative Agent, in the amount of its Aggregate Exposure Percentage, for any expenses and fees incurred for the benefit of the Lenders under the Fundamental Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, and any other expense incurred in connection with the administration or enforcement thereof; (ii) to indemnify and hold harmless the Administrative Agent and any of its directors, officers, employees, or agents, on demand, in the amount of its Aggregate Exposure Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it or any of them in any way relating to or arising out of the Fundamental Documents or any action taken or omitted by it or any of them under the Fundamental Documents to the extent not reimbursed by the Borrower or one of its Subsidiaries (including any Subsidiary Borrower) (except such as shall result from the gross negligence or willful misconduct of the Person seeking indemnification); and (iii) to indemnify and hold harmless the Issuing Lenders and any of their respective directors, officers, employees, or agents or demand in the amount of its proportionate share from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs expenses or disbursements of any kind or nature whatever which may be imposed or incurred by or asserted against it relating to or arising out of the issuance of any Letters of Credit not reimbursed by the Borrower or one of its Subsidiaries (including any Subsidiary Borrower) (except such as shall result from the gross negligence or willful misconduct of the Person seeking indemnification).

SECTION 8.7. Rights of Administrative Agent.

It is understood and agreed that Bank of America shall have the same rights and powers hereunder (including the right to give such instructions) as the other Lenders and may exercise such rights and powers, as well as its rights and powers under other agreements and instruments to which it is or may be party, and engage in other transactions with the Borrower or any Subsidiary (including any Subsidiary Borrower) or other Affiliate thereof as though it were not the Administrative Agent on behalf of the Lenders under this Agreement.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent; provided that no such delegation shall limit or reduce in any way the Administrative Agent's duties and obligations to the Borrower or any Subsidiary Borrower under this Agreement. The Administrative Agent and any such sub-agent, and any Affiliate of the Administrative Agent or any such sub-agent, may perform any and all its duties and exercise its rights and powers through their respective directors, officers, employees, agents and advisors. The exculpatory provisions of Section 8.5 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 8.8. Independent Investigation by Lenders.

Each of the Lenders acknowledges that it has decided to enter into this Agreement and to make the Loans and issue and participate in the Letters of Credit hereunder, and will continue to make

such decisions, based on its own analysis of the transactions contemplated hereby, based on such documents and other information as it has deemed appropriate and on the creditworthiness of the Borrower and agrees that neither the Administrative Agent nor any Issuing Lender shall bear responsibility therefor.

SECTION 8.9. Notice of Transfer.

The Administrative Agent and the Issuing Lenders may deem and treat any Lender which is a party to this Agreement as the owners of such Lender's respective portions of the Loans and Letter of Credit reimbursement rights for all purposes, unless and until a written notice of the assignment or transfer thereof executed by any such Lender shall have been received by the Administrative Agent and become effective pursuant to Section 10.3.

SECTION 8.10. Successor Administrative Agent.

The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Borrower (with the consent of the Required Lenders, which shall not be unreasonably withheld or delayed) shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Borrower and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which with the consent of the Borrower, which will not be unreasonably withheld, shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

SECTION 8.11. Resignation of an Issuing Lender.

Any Issuing Lender may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, such Issuing Lender shall be discharged from any duties and obligations under this Agreement in its capacity as an Issuing Lender with regard to Letters of Credit not yet issued. After any retiring Issuing Lender's resignation hereunder as an Issuing Lender, the provisions of this Agreement shall continue to inure to its benefit as to any outstanding Letters of Credit or otherwise with regard to outstanding L/C Exposure and any actions taken or omitted to be taken by it while it was an Issuing Lender under this Agreement.

SECTION 8.12. Agents Generally.

Except as expressly set forth herein, no Agent shall have any duties or responsibilities hereunder in its capacity as such; and shall incur no liability, under this Agreement and the other Fundamental Documents.

9. GUARANTY OF SUBSIDIARY BORROWER OBLIGATIONS

SECTION 9.1. Guaranty.

(a) The Borrower hereby unconditionally and irrevocably guaranties to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by any Subsidiary Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Subsidiary Borrower Obligations.

(b) The Borrower further agrees to pay any and all expenses (including, without limitation, all fees and disbursements of counsel) which may be paid or incurred by the Administrative Agent, any Issuing Lender or any Lender in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Subsidiary Borrower Obligations and/or enforcing any rights with respect to, or collecting against, any Subsidiary Borrower under this Guaranty; provided, however, that the Borrower shall not be liable for the fees and expenses of more than one separate firm for the Lenders or any Issuing Lender (unless there shall exist an actual conflict of interest among such Persons, and in such case, not more than two separate firms) in connection with any one such action or any separate, but substantially similar or related actions in the same jurisdiction, nor shall the Borrower be liable for any settlement or proceeding effected without the Borrower’s written consent. This Guaranty shall remain in full force and effect until the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated.

(c) No payment or payments made by any Subsidiary Borrower or any other Person or received or collected by the Administrative Agent or any Lender from any Subsidiary Borrower or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Subsidiary Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Borrower hereunder which shall, notwithstanding any such payment or payments (other than payments made by the Borrower in respect of the Subsidiary Borrower Obligations or payments received or collected from the Borrower in respect of the Subsidiary Borrower Obligations), remain liable for the Subsidiary Borrower Obligations until the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated.

(d) The Borrower agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability hereunder, it will notify the Administrative Agent and such Lender in writing that such payment is made under this Guaranty for such purpose.

SECTION 9.2. No Subrogation.

Notwithstanding any payment or payments made by the Borrower hereunder, or any set-off or application of funds of the Borrower by the Administrative Agent or any Lender, the Borrower shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against any Subsidiary Borrower or against any collateral security or Guaranty or right of offset held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations, nor shall the Borrower seek or be entitled to seek any contribution or reimbursement from any Subsidiary Borrower in respect of payments made by the Borrower hereunder, until all amounts owing to the Administrative Agent and the Lenders by any Subsidiary Borrower on account of the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated. If any amount shall be paid to the Borrower on account of such subrogation rights at any time when all of the Subsidiary Borrower Obligations shall not have been paid in full, such amount shall be held by the Borrower in trust for the

Administrative Agent and the Lenders, segregated from other funds of the Borrower, and shall, forthwith upon receipt by the Borrower, be turned over to the Administrative Agent in the exact form received by the Borrower (duly indorsed by the Borrower to the Administrative Agent, if required), to be applied against the Subsidiary Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

SECTION 9.3. Amendments, etc. with respect to the Obligations; Waiver of Rights.

The Borrower shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Borrower, and without notice to or further assent by the Borrower, any demand for payment of any of the Subsidiary Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Subsidiary Borrower Obligations continued, and the Subsidiary Borrower Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guaranty therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection herewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the requisite Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guaranty or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Subsidiary Borrower Obligations or for the Guaranty under this Section 9 or any property subject thereto. When making any demand hereunder against the Borrower, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on any Subsidiary Borrower, and any failure by the Administrative Agent or any Lender to make any such demand or to collect any payments from any Subsidiary Borrower or any release of any Subsidiary Borrower shall not relieve the Borrower of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any Lender against the Borrower. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

SECTION 9.4. Guaranty Absolute and Unconditional.

The Borrower waives any and all notice of the creation, renewal, extension or accrual of any of the Subsidiary Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon this Guaranty or acceptance of the Guaranty under this Section 9, the Subsidiary Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the Guaranty under this Section 9 and all dealings between any Subsidiary Borrower and the Borrower, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon the Guaranty under this Section 9. The Borrower waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon any Subsidiary Borrower or the Borrower with respect to the Subsidiary Borrower Obligations. The Guaranty under this Section 9 shall be construed as a continuing, absolute and unconditional guaranty of payment without regard to (a) the validity or enforceability of this Agreement, any of the Subsidiary Borrower Obligations or any other collateral security therefor or guaranty or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Subsidiary Borrower against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of such Subsidiary Borrower or the

Borrower) which constitutes, or might be construed to constitute, an equitable or legal discharge of Subsidiary Borrower for its Subsidiary Borrower Obligations, or of the Borrower under the guaranty under this Section 9, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Borrower, the Administrative Agent and any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against any Subsidiary Borrower or any other Person or against any collateral security or guaranty for the Subsidiary Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from any Subsidiary Borrower or any such other Person or to realize upon any such collateral security or guaranty or to exercise any such right of offset, or any release of Subsidiary Borrower or any such other Person or of any such collateral security, guaranty or right of offset, shall not relieve the Borrower of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against such Subsidiary Borrower. The Guaranty under this Section 9 shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Borrower and its successors and assigns thereof, and shall inure to the benefit of the Administrative Agent and the Lenders, and their respective successors, indorsees, transferees and assigns, until all the Subsidiary Borrower Obligations and the obligations of the Borrower under the Guaranty under this Section 9 shall have been satisfied by payment in full and the Commitments shall be terminated, notwithstanding that from time to time during the term of this Agreement any Subsidiary Borrower may be free from any Subsidiary Borrower Obligations.

SECTION 9.5. Reinstatement.

The Guaranty under this Section 9 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Subsidiary Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Subsidiary Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Subsidiary Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

10. MISCELLANEOUS

SECTION 10.1. Notices.

(a) Notices and other communications provided for herein shall be in writing and shall be delivered or mailed (or in the case of telegraphic communication, if by telegram, delivered to the telegraph company and, if by telex, telecopy, graphic scanning or other telegraphic communications equipment of the sending party hereto, delivered by such equipment) addressed as follows:

(i) if to the Administrative Agent with regards to advances, payments or competitive bids, to it at Bank of America, N.A., 901 Main Street, 14th Floor, Dallas, TX 75202, Attention of Nora Taylor (Telephone No. (214)-209-0592; Facsimile No. (214)-290-9673, with a copy to Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017, Attention of James T. Knight (Facsimile No. (212)-455-2502);

(ii) if to the Administrative Agent with regards to financials and other notices, to it at Bank of America, N.A., 901 Main Street, 14th Floor, Dallas, TX 75202, Attention of Lesa Butler (Telephone No. (214)-209-1506; Facsimile No. (214)-209-0085, with a copy to Bank of America, N.A., 901 Main Street, 14th Floor, Dallas, TX 75202, Attention of Henry Penell (Telephone No. (214)-209-1226; Facsimile No. (214)-290-9448 and with a copy

to Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017, Attention of James T. Knight (Facsimile No. (212)-455-2502);

(iii) if to the Borrower, to it at 22 Sylvan Way, Parsippany, NJ 07054, Attention of Corporate Secretary (Facsimile No. 973-496-1127) and Treasurer (Facsimile No. 973-496-1192), with a copy to Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, Attention of Jason Kanner (Facsimile No. 212-446-4900);

(iv) if to a Subsidiary Borrower, to it c/o the Borrower at 22 Sylvan Way, Parsippany, NJ 07054, Attention of Corporate Secretary (Facsimile No. 973-496-1127) and Treasurer (Facsimile No. 973-496-1192), with a copy to Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, Attention of Jason Kanner (Facsimile No. 212-446-4900);

(v) if to a Lender, to it at its address notified to the Administrative Agent (or set forth in its Assignment and Acceptance or other agreement pursuant to which it became a Lender hereunder); and

(vi) if to Bank of America, N.A., in its capacity as Issuing Lender, to it at Bank of America, N.A., 901 Main Street, 64th Floor, Dallas, TX 75202, Attention of Dail Mengelkoch (Telephone No. (214)-209-9049; Facsimile No. (214)-672-8719, with a copy to Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017, Attention of James T. Knight (Facsimile No. (212)-455-2502);

(vii) if to the Administrative Agent in its capacity as a Swingline Lender, to it at Bank of America, N.A., 901 Main Street, 14th Floor, Dallas, TX 75202, Attention of Nora Taylor (Telephone No. (214)-209-0592; Facsimile No. (214)-290-9673, with a copy to Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017, Attention of James T. Knight (Facsimile No. (212)-455-2502);

(viii) or if to any other Issuing Lender, at the address for notices as such Issuing Lender provides in accordance with this Section 10.1;

or such other address as such party may from time to time designate by giving written notice to the other parties hereunder.

(b) Any party hereto may change its address or facsimile number and other communications hereunder for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

(c) Notices and other communication to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent, the Borrower and any Subsidiary Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 10.2. Survival of Agreement, Representations and Warranties, etc.

All warranties, representations and covenants made by the Borrower or any Subsidiary Borrower herein or in any certificate or other instrument delivered by it or on its behalf in connection with this Agreement shall be considered to have been relied upon by the Administrative Agent and the Lenders and shall survive the making of the Loans herein contemplated regardless of any investigation made by the Administrative Agent or the Lenders or on their behalf and shall continue in full force and effect so long as any amount due or to become due hereunder is outstanding and unpaid and so long as the Commitments have not been terminated. All statements in any such certificate or other instrument shall constitute representations and warranties by the Borrower or such Subsidiary Borrower hereunder.

SECTION 10.3. Successors and Assigns; Syndications; Loan Sales; Participations.

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party (provided, however, that neither Borrower nor any Subsidiary Borrower may assign its rights hereunder without the prior written consent of all the Lenders), and all covenants, promises and agreements by, or on behalf of, the Borrower or any Subsidiary Borrower which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Lenders.

(b) Each of the Lenders may assign to an Eligible Assignee all or a portion of its interests, rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the same portion of the Revolving Credit Loans at the time owing to it and its Revolving L/C Exposure); provided, however, that (1) each assignment shall be of a constant, and not a varying, percentage of all of the assigning Lender's rights and obligations in respect of the Revolving Loans, L/C Exposure and the Revolving Commitment which are the subject of such assignment, (2) the amount of the Revolving Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Lender) shall be in a minimum principal amount of $5,000,000 (or, if less, the remaining portion of the assigning Lender's rights and obligations under this Agreement) unless otherwise agreed by the Borrower and the Administrative Agent, (3) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register (as defined below), an Assignment and Acceptance, together with a processing and recordation fee of $3,500 and (4) no Lender shall assign or sell participations of all or a portion of its interest in a Loan to any Person who is (A) listed on the Specially Designated Nationals and Blocked Persons List (the "SDN List") maintained by the U.S. Department of Treasury Office of Foreign Assets Control ("OFAC") and/or on any other similar list maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation (collectively, "OFAC Laws and Regulations"); or (B) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515. Upon such execution, delivery, acceptance and recording, and from and after the effective date specified in each Assignment and Acceptance, which effective date shall be not earlier than five Business Days (or such shorter period approved by the Administrative Agent) after the date of acceptance and recording by the Administrative Agent, (x) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the assigning Lender thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of the assigning Lender's rights and obligations under this Agreement, such assigning Lender shall cease to be a party hereto).

(c) Notwithstanding the other provisions of this Section 10.3, each Lender may at any time make an assignment of its interests, rights and obligations under this Agreement to (i) any Affiliate

of such Lender or (ii) any other Lender hereunder without the consent of the Borrower provided that it meets the registration requirements in Section 10.3(b)(4).

(d) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in, or in connection with, this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Fundamental Documents or any other instrument or document furnished pursuant hereto or thereto; (ii) such Lender assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower or any Subsidiary Borrower of any of its obligations under the Fundamental Documents; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 5.1(a) and 5.1(b) (or if none of such financial statements shall have then been delivered, then copies of the financial statements referred to in Section 3.4 hereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Lender, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Fundamental Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (vi) such assignee agrees that it will be bound by the provisions of this Agreement and will perform in accordance with its terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(e) The Administrative Agent, on behalf of the Borrower, shall maintain at its address at which notices are to be given to it pursuant to Section 10.1, a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders and the Commitments of, and the principal and interest amounts of the Loans owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, any Subsidiary Borrower, the Administrative Agent, the Issuing Lenders and the Lenders shall treat each Person whose name is recorded in the Register as the owner of a Loan or other obligation hereunder as the owner thereof for all purposes of this Agreement and the other Fundamental Documents, notwithstanding any notice to the contrary. Any assignment shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(f) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee and the processing and recordation fee, the Administrative Agent (subject to the right, if any, of the Borrower to require its consent thereto) shall, if such Assignment and Acceptance has been completed and is substantially in the form of Exhibit B hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt written notice thereof to the Borrower.

(g) Each of the Lenders may, without the consent of the Borrower, the Administrative Agent or any Issuing Lender, sell participations to an Eligible Assignee (a "Participant") in all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion

of its Commitment and the Loans owing to it); provided, however, that (i) any such Lender's obligations under this Agreement shall remain unchanged, (ii) such Participant shall not be granted any voting rights under this Agreement, except with respect to matters requiring the consent of each of the Lenders hereunder, (iii) any such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iv) the participating banks or other entities shall be entitled to the cost protection provisions of Sections 2.16, 2.17, 2.19, 2.23 and 2.26 hereof (and subject to the limitations and obligations thereof) but a Participant shall not be entitled to receive pursuant to such provisions an amount larger than its share of the amount to which the Lender granting such participation would have been entitled to receive; provided that a Participant shall not be entitled to the benefits of Section 2.23 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.23(e) as though it were a Lender, and (v) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Each Lender that sells a participation, acting solely for this purpose as an agent of the Borrower, shall maintain a register in accordance with its customary practices in which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"). The entries in the Participant Register shall be conclusive, and such Lender, the Administrative Agent, the Borrower and any Subsidiary Borrower shall treat each Person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for purposes of this Agreement, notwithstanding notice to the contrary; provided, however, that no Lender shall have any obligation to disclose any portion of or entry made in its Participant Registry without its prior written consent.

(h) The Lenders may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.3, disclose to the assignee or Participant or proposed assignee or Participant, any information, including confidential information, relating to the Borrower furnished to the Administrative Agent by or on behalf of the Borrower; provided that prior to any such disclosure, each such assignee or Participant or proposed assignee or Participant agrees in writing to be bound by the confidentiality provisions of Section 10.15.

(i) Each Lender hereby represents that it is a commercial lender or financial institution which makes loans in the ordinary course of its business and that it will make the Loans hereunder for its own account in the ordinary course of such business; provided, however, that, subject to preceding clauses (a) through (h), the disposition of the Indebtedness held by that Lender shall at all times be within its exclusive control.

(j) Any Lender may at any time and from time to time pledge, or otherwise grant a security interest in, all or a portion of its rights under this Agreement, including any such pledge or grant to any Federal Reserve Bank, and, with respect to any Lender which is a fund, to the fund's trustee in support of its obligations to such trustee, and this Section shall not apply to any such pledge or grant; provided that no such pledge or grant shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto. The Borrower and any relevant Subsidiary Borrower shall, upon receipt of a written request from any Lender, issue a Note to facilitate such transactions.

(k) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower or any Subsidiary Borrower all or any part of any Revolving Credit Loan that such Granting Lender would otherwise be obligated to make to the Borrower or such Subsidiary Borrower pursuant to Section 2.1 or 2.8, provided that (i) nothing herein shall constitute a commitment to make any

Revolving Credit Loan by any SPC and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Revolving Credit Loan or fund any other obligation required to be funded by it hereunder, the Granting Lender shall be obligated to make such Revolving Credit Loan or fund such obligation pursuant to the terms hereof. The making of a Revolving Credit Loan by an SPC hereunder shall satisfy the obligation of the Granting Lenders to make Revolving Credit Loans to the same extent, and as if, such Loan were made by the Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any payment under this Agreement for which a Lender would otherwise be liable, for so long as, and to the extent, the related Granting Lender makes such payment. In furtherance of the foregoing, each party hereto hereby agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any SPC, it will not institute against or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 10.3 any SPC may (i) with notice to, but without the prior written consent of, the Borrower or the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Revolving Credit Loan to its Granting Lender or to any financial institutions providing liquidity and/or credit facilities to or for the account of such SPC to fund the Revolving Credit Loans made by SPC or to support the securities (if any) issued by such SPC to fund such Revolving Credit Loans and (ii) disclose on a confidential basis any non-public information relating to its Revolving Credit Loans to any rating agency, commercial paper dealer or provider of a surety, guarantee or credit or liquidity enhancement to such SPC.

(l) None of the Borrower or any of its Subsidiaries or controlled Affiliates shall be entitled to (i) vote as a Lender under any matter related to this Agreement or the other Fundamental Documents (provided that any principal, interest and fees in respect of any Incremental Term Loan owed to any such Person may not be reduced and any scheduled payment date therefor may not be extended, nor may this proviso be amended or otherwise modified, without the consent of such Person) or (ii) in their capacities as Lender, attend Lender meetings or conference calls or receive information distributed to Lenders.

SECTION 10.4. Expenses.

Whether or not the transactions hereby contemplated shall be consummated, the Borrower agrees to pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and the Syndication Agent in connection with the syndication, preparation, execution, delivery and administration of this Agreement (and any actual or proposed amendment, modification or waiver of the Fundamental Documents), the making of the Loans and issuance and administration of the Letters of Credit, the reasonable and documented fees and disbursements of Simpson Thacher & Bartlett LLP, counsel to the Administrative Agent, as well as all reasonable and documented out-of-pocket expenses incurred by the Lenders in connection with any restructuring or workout of this Agreement or the Letters of Credit or in connection with the enforcement or protection of the rights of the Lenders in connection with this Agreement or the Letters of Credit or any other Fundamental Document, and with respect to any action which may be instituted by any Person against any Lender or any Issuing Lender in respect of the foregoing, or as a result of any transaction, action or nonaction arising from the foregoing, including but not limited to the reasonable and documented fees and disbursements of any counsel for the Lenders or any Issuing Lender, provided, however, that the Borrower shall not be liable for the fees and expenses of more than one separate firm for the Lenders or any Issuing Lender, unless there shall exist an actual conflict of interest among such Persons, and in such case, not more than two separate firms, in connection with any one such action or any separate but substantially similar or related actions in the same jurisdiction, nor shall the Borrower be liable for any settlement or any proceeding effected without the Borrower's written consent. Such payments shall be made on the Closing Date and thereafter on demand. The obligations of the Borrower under this Section

shall survive the termination of this Agreement and/or the payment of the Loans and/or expiration of the Letters of Credit.

SECTION 10.5. Indemnity.

Further, by the execution hereof, the Borrower and each Subsidiary Borrower agrees to indemnify and hold harmless the Administrative Agent and the Lenders and the Issuing Lenders and their respective directors, officers, employees and agents (each, an "Indemnified Party") from and against any and all expenses (including reasonable and documented fees and disbursements of counsel), losses, claims, damages and liabilities arising out of any claim, litigation, investigation or proceeding (regardless of whether any such Indemnified Party is a party thereto) in any way relating to the transactions contemplated hereby or the use or proposed use of the proceeds, but excluding therefrom all expenses, losses, claims, damages, and liabilities arising out of or resulting from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification or any of its Related Parties, provided, however, neither the Borrower nor any Subsidiary Borrower shall be liable for the fees and expenses of more than one separate firm for all such Indemnified Parties (unless there shall exist an actual conflict of interest among such Indemnified Parties, and in such case, not more than two separate firms) in connection with any one such action or any separate but substantially similar or related actions in the same jurisdiction, nor shall the Borrower or any Subsidiary Borrower be liable for any settlement of any proceeding effected without the Borrower's or such Subsidiary Borrower's written consent, and provided further, however, that this Section 10.5 shall not be construed to expand the scope of the reimbursement obligations of the Borrower and any Subsidiary Borrower specified in Section 10.4. The obligations of the Borrower and any Subsidiary Borrower under this Section 10.5 shall survive the termination of this Agreement and/or payment of the Loans and/or the expiration of the Letters of Credit. No Indemnified Party shall be liable for any special, indirect, consequential or punitive damages in connection with its activities relating to this Agreement and the other Fundamental Documents.

SECTION 10.6. CHOICE OF LAW.

THIS AGREEMENT AND THE NOTES HAVE BEEN EXECUTED AND DELIVERED IN THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF SUCH STATE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED WHOLLY WITHIN SUCH STATE AND, IN THE CASE OF PROVISIONS RELATING TO INTEREST RATES, ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

SECTION 10.7. No Waiver.

No failure on the part of the Administrative Agent, any Lender or any Issuing Lender to exercise, and no delay in exercising, any right, power or remedy hereunder or with regards to the Letters of Credit shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

SECTION 10.8. Extension of Maturity.

Except as otherwise specifically provided in Section 1 or 8 hereof, should any payment of principal, interest or any other amount due hereunder become due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, in the case of principal, interest shall be payable thereon at the rate herein specified during such extension.

SECTION 10.9. Amendments, etc.

(a) Except as expressly set forth in this Agreement (including in Sections 2.14, 2.27, 2.28 and 2.29), no modification, amendment or waiver of any provision of this Agreement, and no consent to any departure by the Borrower herefrom or therefrom, shall in any event be effective unless the same shall be in writing and signed or consented to in writing by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given; provided, however, that no such modification or amendment shall without the written consent of each Lender directly affected thereby (i) increase or extend the expiration date of the Revolving Commitment of a Lender, (ii) alter the stated maturity or principal amount of any installment of any Loan (or any reimbursement obligation with respect to a Letter of Credit) or decrease the rate of interest payable thereon or extend the scheduled date of any payment thereof, or the rate at which the Facility Fees or letter of credit fees or other fees accrue, or extend the scheduled date of any payment thereof, (iii) waive a default under Section 7(b) hereof with respect to a scheduled principal installment of any Loan or (iv) release the Borrower from its obligations under the Guaranty (except in accordance with its terms); and provided, further that, except to the extent reasonably necessary to give effect to Sections 2.14, 2.27, 2.28 and 2.29, no such modification or amendment shall without the written consent of all of the Lenders (x) amend or modify any provision of this Agreement which provides for the unanimous consent or approval of the Lenders or (y) amend this Section 10.9 or the definition of Required Lenders. No such amendment or modification may adversely affect the rights and obligations of the Administrative Agent or any Issuing Lender hereunder without its prior written consent. No notice to or demand on the Borrower shall entitle the Borrower to any other or further notice or demand in the same, similar or other circumstances. Each holder of a Note shall be bound by any amendment, modification, waiver or consent authorized as provided herein, whether or not a Note shall have been marked to indicate such amendment, modification, waiver or consent and any consent by any holder of a Note shall bind any Person subsequently acquiring a Note, whether or not a Note is so marked. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Revolving Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

(b) This Agreement may be amended without consent of the Lenders, so long as no Default or Event of Default shall have occurred and be continuing, as follows:

(i) This Agreement will be amended to designate any Subsidiary of the Borrower as a Subsidiary Borrower upon (v) ten Business Days prior notice (or such shorter period as may be agreed to by the Administrative Agent in its sole discretion) to the Lenders (such notice to contain the name, primary business address and taxpayer identification number of such Subsidiary), (w) the execution and delivery by the Borrower, such Subsidiary and the Administrative Agent of a Joinder Agreement, substantially in the form of Exhibit F (a "Joinder Agreement"), providing for such Subsidiary to become a Subsidiary Borrower, (x) the agreement and acknowledgment by the Borrower and each other Subsidiary Borrower that the Guaranty contained in Section 9 covers the Obligations of such Subsidiary and (y) the delivery to the Administrative Agent of (1) corporate or other applicable resolutions, other corporate or other applicable documents, certificates and legal opinions in respect of such Subsidiary substantially equivalent to comparable documents delivered on the Closing Date and (2) such other documents with respect thereto as the Administrative Agent shall reasonably request. The Administrative Agent and the Lenders shall have received all documentation and other

information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, requested by such Person at least three Business Days prior to the effectiveness of the applicable Joinder Agreement.

(ii) This Agreement will be amended to remove any Subsidiary as a Subsidiary Borrower upon execution and delivery by the Borrower to the Administrative Agent of a written notification to such effect and repayment in full of all Loans made to such Subsidiary Borrower, cash collateralization of all reimbursement obligations in respect of any Letters of Credit issued for the account of such Subsidiary Borrower and repayment in full of all other amounts owing by such Subsidiary Borrower under this Agreement (it being agreed that any such repayment shall be in accordance with the other terms of this Agreement); provided, however, that no such amendment shall affect or limit the Borrower's obligations under the Guaranty.

(c) This Agreement may be amended with the consent of the Administrative Agent, the Borrower and any other Person set forth in the applicable section in order to implement the provisions of Sections 2.14(d)-(g), 2.27, 2.28 and 2.29.

(d) Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Fundamental Documents and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

(e) Further, notwithstanding anything to the contrary contained in this Section, if the Administrative Agent and Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Fundamental Documents, then the Administrative Agent and Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Fundamental Document if the same is not objected to in writing by the Required Lenders within three Business Days following receipt of notice thereof.

SECTION 10.10. Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.11. SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

(a) THE ADMINISTRATIVE AGENT, EACH LENDER AND ISSUING LENDER, THE BORROWER AND EACH SUBSIDIARY BORROWER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE STATE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY AND TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF BROUGHT BY THE ADMINISTRATIVE AGENT, A LENDER OR AN ISSUING LENDER. THE BORROWER AND EACH SUBSIDIARY BORROWER TO THE EXTENT PERMITTED BY APPLICABLE LAW (A) HEREBY WAIVES, AND AGREES NOT TO

ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH COURTS, ANY CLAIM THAT IT IS NOT SUBJECT PERSONALLY TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT ITS PROPERTY IS EXEMPT OR IMMUNE FROM ATTACHMENT OR EXECUTION, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THIS AGREEMENT OR THE SUBJECT MATTER HEREOF MAY NOT BE ENFORCED IN OR BY SUCH COURT, AND (B) HEREBY WAIVES THE RIGHT TO ASSERT IN ANY SUCH ACTION, SUIT OR PROCEEDING ANY OFFSETS OR COUNTERCLAIMS EXCEPT COUNTERCLAIMS THAT ARE COMPULSORY OR OTHERWISE ARISE FROM THE SAME SUBJECT MATTER. EACH LENDER, EACH ISSUING LENDER, THE BORROWER AND EACH SUBSIDIARY BORROWER HEREBY CONSENTS TO SERVICE OF PROCESS BY MAIL AT ITS ADDRESS TO WHICH NOTICES ARE TO BE GIVEN PURSUANT TO SECTION 10.1 HEREOF. THE BORROWER AND EACH SUBSIDIARY BORROWER AGREES THAT ITS SUBMISSION TO JURISDICTION AND CONSENT TO SERVICE OF PROCESS BY MAIL IS MADE FOR THE EXPRESS BENEFIT OF THE ADMINISTRATIVE AGENT, THE LENDERS AND EACH ISSUING LENDER. FINAL JUDGMENT AGAINST THE BORROWER OR SUCH SUBSIDIARY BORROWER IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION (A) BY SUIT, ACTION OR PROCEEDING ON THE JUDGMENT, A CERTIFIED OR TRUE COPY OF WHICH SHALL BE CONCLUSIVE EVIDENCE OF THE FACT AND THE AMOUNT OF INDEBTEDNESS OR LIABILITY OF THE SUBMITTING PARTY THEREIN DESCRIBED OR (B) IN ANY OTHER MANNER PROVIDED BY, OR PURSUANT TO, THE LAWS OF SUCH OTHER JURISDICTION, PROVIDED, HOWEVER, THAT THE ADMINISTRATIVE AGENT, A LENDER OR AN ISSUING LENDER MAY AT ITS OPTION BRING SUIT, OR INSTITUTE OTHER JUDICIAL PROCEEDINGS AGAINST THE BORROWER OR SUCH SUBSIDIARY BORROWER OR ANY OF ITS ASSETS IN ANY STATE OR FEDERAL COURT OF THE UNITED STATES OR OF ANY COUNTRY OR PLACE WHERE THE BORROWER, SUCH SUBSIDIARY BORROWER OR SUCH ASSETS MAY BE FOUND.

(b) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING OR WHETHER IN CONTRACT OR TORT OR OTHERWISE. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED THAT THE PROVISIONS OF THIS SECTION 10.11(b) CONSTITUTE A MATERIAL INDUCEMENT UPON WHICH THE OTHER PARTIES HAVE RELIED, ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. THE PARTIES HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 10.11(b) WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF SUCH OTHER PARTY TO THE WAIVER OF ITS RIGHTS TO TRIAL BY JURY.

SECTION 10.12. Headings.

Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

SECTION 10.13. Execution in Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument.

SECTION 10.14. Entire Agreement.

This Agreement represents the entire agreement of the parties with regard to the subject matter hereof and the terms of any letters and other documentation entered into among the Borrower, the Administrative Agent, the Syndication Agent or any Lender (other than the provisions of the letter agreements dated January 22, 2010 among the Borrower, Bank of America, N.A., Banc of America Securities LLC, J.P. Morgan Chase Bank, N.A. and J.P. Morgan Securities Inc. relating to fees and expenses and syndication issues) prior to the execution of this Agreement which relate to Loans to be made or the Letters of Credit to be issued hereunder shall be replaced by the terms of this Agreement.

SECTION 10.15. Confidentiality.

Each of the Administrative Agent, the Issuing Lenders and the Lenders agrees that it will not use, either directly or indirectly, any of the Confidential Information except in connection with this Agreement and the transactions contemplated hereby. Neither the Administrative Agent, the Issuing Lender or any Lender shall disclose to any Person the Confidential Information, except

(a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other professional advisors who need to know the Confidential Information for purposes related to this Agreement or any other Fundamental Document or any transactions contemplated thereby or reasonably incidental to the administration of this Agreement or the other Fundamental Documents (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and agree to keep such Confidential Information confidential in accordance with the provisions of this Section 10.15),

(b) to the extent requested by any regulatory authority having jurisdiction over it or its Affiliates,

(c) to the extent required by Applicable Law, regulations or by any subpoena or similar legal process,provided that the Administrative Agent, such Issuing Lender or such Lender, as the case may be, shall request confidential treatment of such Confidential Information to the extent permitted by Applicable Law and the Administrative Agent, such Issuing Lender or such Lender, as the case may be, shall, to the extent permitted by Applicable Law, promptly inform the Borrower with respect thereto so that the Borrower may seek appropriate protective relief to the extent permitted by Applicable Law, provided further that in the event that such protective remedy or other remedy is not obtained, the Administrative Agent, such Issuing Lender or such Lender, as the case may be, shall furnish only that portion of the Confidential Information that is legally required and shall disclose the Confidential Information in a manner reasonably designed to preserve its confidential nature,

(d) to any other Lender party to this Agreement,

(e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder,

(f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its

rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations,

(g) with the prior written consent of the Borrower or

(h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 10.15 or (ii) becomes available to the Administrative Agent, any Issuing Lender or any Lender on a nonconfidential basis from a source other than the Borrower, its Affiliates or Representatives, which source, to the reasonable knowledge of the Administrative Agent, the Issuing Lender or any Lender, as may be appropriate, is not prohibited from disclosing such Confidential Information to the Administrative Agent, Issuing Bank or such Lender by a contractual, legal or fiduciary obligation, to the Borrower, the Administrative Agent or any Lender.

(i) Neither the Administrative Agent nor any Lender shall make any public announcement, advertisement, statement or communication regarding the Borrower, its Affiliates or this Agreement or the transactions contemplated hereby without the prior written consent of the Borrower. The obligations of the Administrative Agent and each Lender under this Section 10.15 shall survive the termination or expiration of this Agreement.

SECTION 10.16. USA PATRIOT Act. Each Lender hereby notifies the Borrower and each Subsidiary Borrower party hereto that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower or such Subsidiary Borrower and other information that will allow such Lender to identify the Borrower or such Subsidiary Borrower in accordance with the Act. The Borrower and each Subsidiary Borrower party hereto shall promptly provide such information upon request by any Lender. In connection therewith, each Lender hereby agrees that the confidentiality provisions set forth in Section 10.15 shall apply to any non-public information provided to it by the Borrower and its Subsidiaries pursuant to this Section 10.16.

SECTION 10.17. Replacement of Lenders.

If any Lender refuses to consent to an amendment, modification or waiver of this Agreement that is approved by the Required Lenders pursuant to Section 10.9 (a "Non-Consenting Lender"), if any Lender makes a claim for payment under Section 2.16, 2.17 or 2.18, if any Lender is a Defaulting Lender, or under any other circumstances set forth herein expressly providing that the Borrower shall have the right to replace a Lender as a party to this Agreement, the Borrower may, upon notice to such Lender and the Administrative Agent and subject to Section 2.19, replace such Lender by causing such Lender to assign its Commitment (with the assignment fee to be paid by the Borrower in such instance) pursuant to Section 10.3 to one or more Eligible Assignees procured by the Borrower upon receipt of accrued fees and interest and all other amounts due and owing to it.

SECTION 10.18. No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Fundamental Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and the other Agents are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent and the other Agents, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed

appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Fundamental Documents; (ii) (A) the Administrative Agent and each other Agent has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent nor any other Agent has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Fundamental Documents; and (iii) the Administrative Agent and the other Agents and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any other Agent has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent and the other Agents with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and the year first above written.

WYNDHAM WORLDWIDE CORPORATION,
as Borrower

By: /s/ Thomas G. Conforti
Name: Thomas G. Conforti
Title: Executive Vice President
and Chief Financial Officer

BANK OF AMERICA, N.A,
as Administrative Agent, Lender, Swingline Lender and
Issuing Lender

By: /s/ Lesa J. Butler
Name: Lesa J. Butler
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A,
as Syndication Agent, Issuing Lender and Lender

By: /s/ Matthew H. Massie
Name: Matthew H. Massie
Title: Managing Director

THE BANK OF NOVA SCOTIA,
as Co-Documentation Agent and Lender

By: /s/ George Sherman
Name: George Sherman
Title: Director

DEUTSCHE BANK AG NEW YORK BRANCH,
as Lender

By: /s/ J. T. Johnston Coe
Name: J. T. Johnston Coe
Title: Director

DEUTSCHE BANK AG NEW YORK BRANCH,
as Lender

By: /s/ Joanna Soliman
Name: Joanna Soliman
Title: Vice President

DEUTSCHE BANK SECURITIES INC.
as Co-Documentation Agent

By: /s/ Authorized Signatory
Name: Authorized Signatory
Title: Director

DEUTSCHE BANK SECURITIES INC.
as Co-Documentation Agent

By: /s/ J. T. Johnston Coe
Name: J. T. Johnston Coe
Title: Managing Director

THE ROYAL BANK OF SCOTLAND PLC,
as Co-Documentation Agent and Lender

By: /s/ Michaela V. Galluzzo
Name: Michaela V. Galluzzo
Title: Senior Vice President

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as Co-Documentation Agent and Lender

By: /s/ Karl Studer
Name: Karl Studer
Title: Director

By: /s/ Jay Chall
Name: Jay Chall
Title: Director

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Michaela V. Galluzzo
Name: Michaela V. Galluzzo
Title: Senior Vice President

National Australia Bank Limited

By: /s/ Dominic C. Franklin
Name: Dominic C. Franklin
Title: Managing Director

WELLS FARGO BANK, N.A.

By: /s/ James Travagline
Name: James Travagline
Title: Director

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
NEW YORK BRANCH

By: /s/ Kenneth K. Egusa
Name: Kenneth K. Egusa
Title: Authorized Signatory

US Bank, National Association

By: /s/ Steven L. Sawyer
Name: Steven L. Sawyer
Title: Vice President

Compass Bank

By: /s/ Keely W. McGee
Name: Keely W. McGee
Title: Senior Vice President

GOLDMAN SACHS BANK USA

By: /s/ Alexis Maged
Name: Alexis Maged
Title: Authorized Signatory

WESTPAC BANKING CORPORATION

By: /s/ Henrik Jensen
Name: Henrik Jensen
Title: Director, Corporate & Institutional Banking Americas

Bank of Taiwan, New York Agency

By: /s/ Thomas K.C. Wu
Name: Thomas K.C. Wu
Title: VP & General Manager

Chang Hwa Commercial Bank, Ltd., New York Branch

By: /s/ Eric Y.S. Tsai
Name: Eric Y.S. Tsai
Title: VP & General Manager

HUA NAN COMMERCIAL BANK, LTD.
NEW YORK AGENCY

By: /s/ Lie-Pun Lin
Name: Lie-Pun Lin
Title: Assistant Vice President

First Commercial Bank, New York Agency

By: /s/ Jenn-Hwa Wang
Name: Jenn-Hwa Wang
Title: General Manager

Schedule 2.1

COMMITMENTS

Lender	Revolving Commitment
JPMorgan Chase Bank, N.A.	$ 114,000,000
Bank of America, N.A.	$ 100,000,000
Credit Suisse AG, Cayman Islands Branch	$ 95,000,000
Deutsche Bank AG New York Branch	$ 95,000,000
The Bank of Nova Scotia	$ 95,000,000
The Royal Bank of Scotland plc	$ 95,000,000
National Australia Bank Limited	$ 75,000,000
Wells Fargo Bank, N.A.	$ 75,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch	$ 50,000,000
US Bank, National Association	$ 50,000,000
Compass Bank	$ 30,000,000
Goldman Sachs Bank USA	$ 25,000,000
Westpac Banking Corporation	$ 15,000,000
Bank of Taiwan, New York Agency	$ 10,000,000
Chang Hwa Commercial Bank, Ltd., New York Branch	$ 10,000,000
Hua Nan Commercial Bank, Ltd., New York Agency	$ 8,500,000
First Commercial Bank, New York Agency	$ 7,500,000
TOTAL:	$ 950,000,000

Schedule 2.26

EXISTING LETTERS OF CREDIT

Bank	Amount	Beneficiary	Effective Date	Expiration Date
JPMorgan Chase	$ 36,668.00	Town of Estes Park	11/2/2005	5/7/2010
JPMorgan Chase	$ 25,000.00	City of Oceanside	12/20/2005	12/15/2010
JPMorgan Chase	$ 1,464,665.53	Banco Bilbao Vizcaya (BBV)	7/3/1997	7/2/2010
JPMorgan Chase	$ 5,000.00	Best Western International, Inc.	7/27/2004	7/26/2010
JPMorgan Chase	$ 20,000.00	Delta Airlines, Inc.	8/5/2002	8/5/2010
JPMorgan Chase	$14,975,000.00	American Casualty Company of Reading	9/29/2006	9/13/2010
JPMorgan Chase	$ 533,440.00	National Union Fire Ins Company	2/9/2007	7/31/2010
JPMorgan Chase	$ 5,773,000.00	First American Title Insurance Company For the Benefit of Baraboo National Bank, Tennessee Master Holdings, LC, Wilderness Resort Construction, LLC and Wilderness Tennessee Venture No. 3 LLC	2/1/2008	8/31/2010
JPMorgan Chase	$ 7,447,000.00	First American Title Insurance Company For the Benefit of	2/1/2008	8/31/2010

Bank	Amount	Beneficiary	Effective Date	Expiration Date
		Baraboo National Bank, Tennessee Master Holdings, LC, Wilderness Resort Construction, LLC and Wilderness Tennessee Venture No. 3 LLC		
JPMorgan Chase	$ 500,000.00	Ballards Pointe III, LLC	7/31/2008	10/29/2010
JPMorgan Chase	$ 27,808.65	Massachusetts Mutual Life Insurance Company	12/4/2009	10/20/2010
Total	$30,807,582.18			

Schedule 3.16

MATERIAL SUBSIDIARIES

1. RCI, LLC

2. Wyndham Vacation Resorts, Inc.

EXHIBIT A

FORM OF
OPINION OF KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS LLP
AND AFFILIATED PARTNERSHIPS

601 Lexington Ave.
New York, New York 10022-4611

212 446-4800

Facsimile:
212 446-4900

www.kirkland.com

March 29, 2010

To Bank of America, N.A., as Administrative Agent
and each of the Lenders under the
Credit Agreement (referred to below)
on the date hereof (the "Lenders"):

Re: Credit Agreement dated as of March 29, 2010, by and among WYNDHAM WORLDWIDE CORPORATION, a Delaware corporation (the "Borrower"), the lenders referred to therein (the "Lenders"), JPMORGAN CHASE BANK, N.A., as syndication agent (the "Syndication Agent"), THE BANK OF NOVA SCOTIA, DEUTSCHE BANK AG NEW YORK BRANCH, THE ROYAL BANK OF SCOTLAND PLC, and CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as co-documentation agents (the "Co-Documentation Agents"), and BANK OF AMERICA, N.A., as administrative agent (the "Administrative Agent"; together with the Syndication Agent, and the Co-Documentation Agents, the "Agents") for the Lenders (such credit agreement herein referred to as the "Credit Agreement")

Ladies and Gentlemen:

We are issuing this opinion letter in our capacity as special counsel to the Borrower under the Credit Agreement.

The opinions expressed hereby are being provided pursuant to Section 4.1(e) of the Credit Agreement. Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement (with references herein to the Credit Agreement and each document defined therein meaning the Credit Agreement and each such document as executed and delivered on the date hereof (or if executed and delivered on an earlier date, as the same is in effect on the date hereof)). The Lenders and the Agents are sometimes referred to in this opinion letter as "you".

We have reviewed executed counterparts of the Credit Agreement in the form executed and delivered on this date.

Subject to the assumptions, qualifications, exclusions and other limitations which are identified in this opinion letter and in the schedules attached to this letter, we advise you, and with respect to each legal issue addressed in this opinion letter, it is our opinion, that:

1. The Borrower is a corporation, existing and in good standing under the Delaware General Corporations Law, as in effect on the date hereof ("DGCL").

2. The Borrower has the corporate power to execute and deliver the Credit Agreement and to perform its obligations under the Credit Agreement.

3. The board of directors of the Borrower has adopted by requisite vote the resolutions necessary to authorize the execution and delivery of the Credit Agreement, and the performance by the Borrower of its obligations thereunder. The adoption of such resolutions is the only corporate action required under the DGCL to be taken by the Borrower in order to authorize the execution and delivery of the Credit Agreement and the performance by the Borrower of its obligations thereunder.

4. The Borrower has duly executed and delivered the Credit Agreement.

5. The Credit Agreement is a valid and binding obligation of the Borrower and is enforceable against the Borrower in accordance with its terms.

6. The execution and delivery by the Borrower and the performance of its obligations under the Credit Agreement will not (a) violate any existing provisions of the certificate of incorporation, or bylaws of the Borrower, or (b) based on existing facts of which we are aware, constitute a violation by the Borrower of any applicable provision of existing statutory law or governmental regulation applicable to the Borrower and covered by this opinion letter.

7. The Borrower is not presently required to obtain any material consent, approval, authorization or order of, or make any filings with any United States federal or State of New York court or governmental body, authority or agency in order to obtain the right (a) to execute and deliver the Credit Agreement, or (b) to perform its obligations under the Credit Agreement except for (i) those obtained or made on or prior to the date hereof and (ii) actions or filings required in connection with the ordinary course conduct by the Borrower of its business and ownership or operation by the Borrower of its assets (as to each of which we express no opinion).

8. The Borrower is not required to register as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

9. Assuming the Borrower complies with the provisions of the Credit Agreement relating to the use of proceeds, neither the execution and delivery by the Borrower of the Credit Agreement, nor the consummation of the lending transactions contemplated therein to occur on or prior to the date hereof in accordance therewith has resulted in a violation of Regulation U or X of the Board of Governors of the Federal Reserve System.

10. To our actual knowledge, no litigation which on the date of this letter is pending against the Borrower with a court seeks to enjoin or obtain damages by reason of the Borrower's execution or delivery of the Credit Agreement or the performance by the Borrower of any of its agreements in the Credit Agreement. For purposes of this letter, our Designated Transaction Lawyers have not undertaken any investigation to identify any litigation which is pending or threatened against the Borrower.

In preparing this letter, we have relied without any independent verification upon the assumptions recited in Schedule B hereto and upon: (i) information contained in certificates obtained from governmental authorities; (ii) factual information represented to be true in the Credit Agreement; (iii) factual information provided to us in a support certificate signed by the Borrower; and (iv) factual information we have obtained from such other sources as we have deemed reasonable. We have examined the originals or copies certified to our satisfaction of such other corporate records of the Borrower as we deem necessary for or relevant to our opinions, certificates of public officials and the officers of the Borrower and we have assumed without investigation that there has been no relevant change or development between the dates as of which the information cited in the preceding sentence was given and the date of this letter and that the information upon which we have relied is accurate and does not omit disclosures necessary to prevent such information from being misleading. For the purposes of the opinions in opinion paragraph 1, we have relied exclusively upon certificates issued by a governmental authority in the relevant jurisdiction, and such opinions are not intended to provide any conclusion or assurance beyond that conveyed by those certificates.

While we have not conducted any independent investigation to determine facts upon which our opinions are based or to obtain information about which this letter advises you, we confirm that we do not have any actual knowledge which has caused us to conclude that our reliance and assumptions cited in the preceding paragraph, are unwarranted or that any information supplied in this letter is wrong. The terms "knowledge," "actual knowledge" and "aware" whenever used in this letter with respect to our firm mean conscious awareness at the time this letter is delivered on the date it bears by the following Kirkland & Ellis LLP lawyers who are the only lawyers at Kirkland & Ellis LLP that have had significant involvement with the negotiation or preparation of the Credit Agreement (herein called our "Designated Transaction Lawyers"): Jason Kanner, Eric Wedel and Kathryn Leonard.

Except as set forth in the following sentences of this paragraph, our advice on every legal issue addressed in this letter is based exclusively on the internal laws of the State of New York or the Federal law of the United States which, in each case, in our experience is generally

applicable both to general business organizations which are not engaged in regulated business activities and to transactions of the type contemplated in the Credit Agreement by the Borrower, on the one hand, and you, on the other hand (but without our having made any special investigation as to any other laws), except that we express no opinion or advice as to any law or legal issue (a) which might be violated by any misrepresentation or omission or a fraudulent act, or (b) to which the Borrower may be subject as a result of your legal or regulatory status, your sale or transfer of the Loans or interests therein or your (as opposed to any other lender's) involvement in the transactions contemplated by the Credit Agreement. For purposes of paragraphs 1 through 4 and 6(a) our opinions are based on the DGCL (without regard to judicial interpretation thereof or rules or regulations promulgated thereunder), as published by Aspen Publishers, Inc., as supplemented through December 30, 2009 (we note however that we are not admitted to practice law in the State of Delaware). We advise you that issues addressed by this letter may be governed in whole or in part by other laws, but we express no opinion as to whether any relevant difference exists between the laws upon which our opinions are based and any other laws which may actually govern. Our opinions are subject to all applicable qualifications in Schedule A hereto and do not cover or otherwise address any law or legal issue which is identified in Schedule C hereto or any provision in the Credit Agreement of any type identified in Schedule D hereto. Provisions in the Credit Agreement which are not excluded by Schedule D or any other part of this letter or its attachments are called the "Relevant Agreement Terms."

Our advice on each legal issue addressed in this letter represents our opinion as to how that issue would be resolved were it to be considered by the highest court of the jurisdiction upon whose law our opinion on that issue is based. The manner in which any particular issue would be treated in any actual court case would depend in part on facts and circumstances particular to the case, and this letter is not intended to guarantee the outcome of any legal dispute which may arise in the future. It is possible that some Relevant Agreement Terms of a remedial nature contained in the Credit Agreement may not prove enforceable for reasons other than those cited in this letter should an actual enforcement action be brought, but (subject to all the exceptions, qualifications, exclusions and other limitations contained in this letter) such unenforceability would not in our opinion prevent you from realizing the principal benefits purported to be provided by the Relevant Agreement Terms of a remedial nature contained in the Credit Agreement.

This opinion letter speaks as of the time of its delivery on the date it bears. We do not assume any obligation to provide you with any subsequent opinion or advice by reason of any fact about which our Designated Transaction Lawyers did not have actual knowledge at that time, by reason of any change subsequent to that time in any law covered by any of our opinions, or for any other reason. The attached schedules are an integral part of this letter, and any term defined in this letter or any schedule has that defined meaning wherever it is used in this letter or in any schedule to this letter.

You may rely upon this letter only for the purpose served by the provision in the Credit Agreement cited in the second paragraph of this opinion letter in response to which it has been delivered. Without our written consent: (i) no person other than you may rely on this opinion letter for any purpose; (ii) this opinion letter may not be cited or quoted in any financial statement, prospectus, private placement memorandum or other similar document; (iii) this opinion letter may not be cited or quoted in any other document or communication which might encourage reliance upon this opinion letter by any person or for any purpose excluded by the restrictions in this paragraph; and (iv) copies of this opinion letter may not be furnished to anyone for purposes of encouraging such reliance. Notwithstanding the foregoing, financial institutions which subsequently become Lenders in accordance with the terms of Section 10.3 of the Credit Agreement may rely on this opinion letter as of the time of its delivery on the date hereof as if this letter were addressed to them.

Sincerely,

KIRKLAND & ELLIS LLP

Schedule A

General Qualifications

All of our opinions ("our opinions") in the letter to which this Schedule is attached ("our letter") are subject to each of the qualifications set forth in this Schedule.

1. Bankruptcy and Insolvency Exception. Each of our opinions is subject to the effect of bankruptcy, insolvency, reorganization, receivership, moratorium and other similar laws relating to or affecting creditors' rights generally. This exception includes:

   (a) the federal Bankruptcy Code and thus comprehends, among others, matters of turn-over, automatic stay, avoiding powers, fraudulent transfer, preference, discharge, conversion of a non-recourse obligation into a recourse claim, limitations on ipso facto and anti-assignment clauses and the coverage of pre-petition security agreements applicable to property acquired after a petition is filed;

   (b) all other federal and state bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement and assignment for the benefit of creditors laws that affect the rights of creditors generally or that have reference to or affect only creditors of specific types of debtors;

   (c) state fraudulent transfer and conveyance laws; and

   (d) judicially developed doctrines in this area, such as substantive consolidation of entities, equitable subordination and the recharacterization of debt.

2. Equitable Principles Limitation. Each of our opinions is subject to the effect of general principles of equity, whether applied by a court of law or equity. This limitation includes principles:

   (a) governing the availability of specific performance, injunctive relief or other equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which application for such relief is made;

   (b) affording equitable defenses (e.g., waiver, laches and estoppel) against a party seeking enforcement;

   (c) requiring good faith and fair dealing in the performance and enforcement of a contract by the party seeking its enforcement;

   (d) requiring reasonableness in the performance and enforcement of an agreement by the party seeking enforcement of the contract;

   (e) requiring consideration of the materiality of (i) a breach and (ii) the consequences of the breach to the party seeking enforcement;

(f) requiring consideration of the commercial impracticability or impossibility of performance at the time of attempted enforcement; and

(g) affording defenses based upon the unconscionability of the enforcing party's conduct after the parties have entered into the contract.

3. Other Common Qualifications. Each of our opinions is subject to the effect of rules of law that:

(a) limit or affect the enforcement of provisions of a contract that purport to waive, or to require waiver of, the obligations of good faith, fair dealing, diligence and reasonableness;

(b) provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected;

(c) limit the availability of a remedy under certain circumstances where another remedy has been elected;

(d) provide a time limitation after which a remedy may not be enforced;

(e) limit the right of a creditor to use force or cause a breach of the peace in enforcing rights;

(f) limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves negligence, recklessness, willful misconduct, unlawful conduct, violation of public policy, for strict product liability or for liabilities arising under securities laws or litigation against another party determined adversely to such party;

(g) may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange;

(h) govern and afford judicial discretion regarding the determination of damages and entitlement to attorneys' fees and other costs;

(i) may permit a party that has materially failed to render or offer performance required by the contract to cure that failure unless (i) permitting a cure would unreasonably hinder the aggrieved party from making substitute arrangements for performance, or (ii) it was important in the circumstances to the aggrieved party that performance occur by the date stated in the contract;

(j) may render guarantees or other similar instruments or agreements unenforceable under circumstances where your actions, failures to act or waivers, amendments or replacement of the Credit Agreement evidencing or relating to the guaranteed obligations (i) so radically change the essential nature of the terms and conditions

of the guaranteed obligations and the related transactions that, in effect, a new relationship has arisen between you and the Borrower which is substantially and materially different from that presently contemplated primary obligor; and by the Credit Agreement or (ii) impair the guarantor's recourse against the primary obligor;

(k) limit the enforceability of requirements in the Credit Agreement that provisions therein may only be waived or amended in writing, to the extent that an oral agreement or an implied agreement by trade practice or course of conduct has been created modifying any such provision.

4. Referenced Provision Qualification. Each provision (the "First Provision") in the Credit Agreement requiring the Borrower to perform its obligations under, or to cause any other person to perform its obligations under, any other provision (the "Second Provision") of the Credit Agreement, or stating that any action will be taken as provided in or in accordance with any such Second Provision, are subject to the same qualifications as the corresponding opinion in this letter relating to the validity, binding effect and enforceability of such Second Provision.

5. Lender's Regulatory Qualification. We express no opinion with respect to, and our opinions are subject to, the effect of the compliance or noncompliance of each of you with any state or federal laws or regulations applicable to you because of your legal or regulatory status or the nature of your business or requiring you to qualify to conduct business in any jurisdiction.

6. Usury Qualification. We express no opinion with regard to usury or other laws limiting or regulating the maximum amount of interest that may be charged, collected, received or contracted for, other than the internal laws of the State of New York and, without limiting the foregoing, we expressly disclaim any opinions as to the usury or other such laws of any other jurisdiction (including laws of other states made applicable through principles of federal preemption or otherwise) which may be applicable to the transactions contemplated by the Credit Agreement.

Schedule B

Assumptions

For purposes of our letter, we have relied, without investigation, upon each of the following assumptions:

1. You are existing and in good standing in your jurisdiction of organization.

2. You have full power and authority (including without limitation under the laws of your jurisdiction of organization) to execute, deliver and to perform your obligations under the Credit Agreement and the Credit Agreement has been duly authorized by all necessary action on your part and has been duly executed and duly delivered by you.

3. The Credit Agreement constitutes valid and binding obligations of yours and are enforceable against you in accordance with their terms (subject to qualifications, exclusions and other limitations similar to those applicable to our letter).

4. You have complied with all legal requirements pertaining to your status as such status relates to your rights to enforce the Credit Agreement to which you are a party against the Borrower.

5. You have satisfied those legal requirements that are applicable to you to the extent necessary to make the Credit Agreement enforceable against you.

6. You have acted in good faith and without notice of any defense against the enforcement of any rights created by, or adverse claim to any property or security interest transferred or created as part of, the transactions effected under the Credit Agreement (herein called the "Transactions").

7. Each document submitted to us for review is accurate and complete, each such document that is an original is authentic, each such document that is a copy conforms to an authentic original, and all signatures on each such document are genuine.

8. Each certificate obtained from a governmental authority relied on by us is accurate, complete and authentic, and all relevant official public records to which each such certificate relates are accurate and complete.

9. There has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence.

10. The conduct of the parties to the Credit Agreement has complied with any requirement of good faith, fair dealing and conscionability.

11. With respect to the opinions set forth in paragraphs 6 and 7 of this letter, all parties to the Transactions will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Credit Agreement.

12. There are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course or prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Credit Agreement.

13. With respect to the opinions set forth in paragraphs 6 and 7 of this letter, the Borrower will not in the future take any discretionary action (including a decision not to act) permitted under the Credit Agreement that would result in a violation of law or constitute a breach or default under any other agreements or court orders to which the Borrower may be subject.

14. No Lender is subject to Regulation T of the Board of Governors of the Federal Reserve System; and no proceeds of the Loans will be used for the purpose of acquiring "margin securities" as such term is defined in Regulation U or for any purpose which would violate or be inconsistent with the Credit Agreement.

15. The constitutionality or validity of a relevant statute, rule, regulation or agency action is not in issue.

16. All agreements, other than the Credit Agreement (if any) with respect to which we have provided advice in our letter or reviewed in connection with our letter, would be enforced as written.

17. With respect to the opinions set forth in opinion paragraphs 5, 6 and 7, we assume the Borrower will in the future obtain all permits and governmental approvals required, relevant to the consummation of the transactions to be consummated pursuant to the Credit Agreement or performance of the Credit Agreement.

18. All information required to be disclosed in connection with any consent or approval by the board of directors or stockholders (or equivalent governing group) of the Borrower and all other information required to be disclosed in connection with any issue relevant to our opinions has in fact been fully and fairly disclosed to all persons to whom it is required to be disclosed.

19. The Borrower's certificate of incorporation (or equivalent governing instrument), all resolutions adopted establishing classes or series of stock or other equity interests under that instrument, and the Borrower's bylaws (or equivalent governing instrument) ("Charter Documents"), and all amendments to such Charter Documents, have been adopted in accordance with all applicable legal requirements.

20. Each person who has taken any action relevant to any of our opinions in the capacity of director or officer was duly elected to that director or officer position and held that position when such action was taken.

Schedule C

Excluded Law and Legal Issues

None of the opinions or advice contained in our letter covers or otherwise addresses any of the following laws, regulations or other governmental requirements or legal issues:

21. federal securities laws and regulations (including all other laws and regulations administered by the United States Securities and Exchange Commission), state "Blue Sky" laws and regulations, and laws and regulations relating to commodity (and other) futures and indices and other similar instruments (except with respect to the Investment Company Act of 1940, as amended, to the extent of our opinion in opinion paragraph 10);

22. pension and employee benefit laws and regulations (e.g., ERISA);

23. federal and state antitrust and unfair competition laws and regulations;

24. compliance with fiduciary duty requirements;

25. the statutes and ordinances, the administrative decisions and the rules and regulations of counties, towns, municipalities and special political subdivisions and judicial decisions to the extent that they deal with any of the foregoing;

26. fraudulent transfer and fraudulent conveyance laws;

27. federal patent, trademark and copyright, state trademark, and other federal and state intellectual property laws and regulations;

28. federal and state environmental, land use and subdivision, tax, racketeering (e.g., RICO), health and safety (e.g., OSHA), and labor laws and regulations;

29. any laws relating to terrorism or money laundering, including Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) (the "Terrorism Executive Order") or any related enabling legislation or any other similar executive order (collectively with the Terrorism Executive Order, the "Executive Orders"), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the "Patriot Act"), any sanctions and regulations promulgated under authority granted by the Trading with the Enemy Act, 50 U.S.C. App. 1-44, as amended from time to time, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, as amended from time to time, the Iraqi Sanctions Act, Publ. L. No. 101-513; United Nations Participation Act, 22 U.S.C. § 287c, as amended from time to time, the International Security and Development Cooperation Act, 22 U.S.C. § 2349 aa-9, as amended from time to time, The Cuban Democracy Act, 22 U.S.C. §§ 6001-10, as amended from time to time, The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 2339b, as amended from time to time, and The Foreign Narcotics Kingpin Designation Act, Publ. L. No. 106-120, as amended from time to time;

30. the effect of any law, regulation or order which hereafter is enacted, promulgated or issued;

31. other than the specific opinion set forth in opinion paragraph 9, Federal Reserve Board margin regulations;

32. other than the specific opinion set forth in opinion paragraph 7, federal and state laws and regulations concerning filing and notice requirements, other than requirements applicable to charter-related documents such as a certificate of merger;

33. federal and state laws, regulations and policies concerning (i) national and local emergency, (ii) possible judicial deference to acts of sovereign states, and (iii) criminal and civil forfeiture laws;

34. other federal and state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes); and

35. the Communications Act and the rules, regulations and policies of the Federal Communications Commission promulgated thereunder.

Schedule D

Excluded Provisions

None of the opinions in the letter to which this Schedule is attached covers or otherwise addresses any of the following types of provisions which may be contained in the Credit Agreement:

36. Choice-of-law provisions, other than the selection of New York law under choice of law rules in New York.
37. Indemnification for negligence, willful misconduct or other wrongdoing or strict product liability or any indemnification for liabilities arising under securities laws.
38. Provisions mandating contribution towards judgments or settlements among various parties.
39. Waivers of (i) legal or equitable defenses, (ii) rights to damages, (iii) rights to counter claim or set-off, (iv) statutes of limitations, (v) rights to notice, (vi) the benefits of statutory, regulatory, or constitutional rights, unless and to the extent the statute, regulation, or constitution explicitly allows waiver, (vii) broadly or vaguely stated rights, and (viii) other benefits, in each case, to the extent they cannot be waived under applicable law.
40. Provisions providing for forfeitures or the recovery of amounts deemed to constitute penalties, or for liquidated damages, acceleration of future amounts due (other than principal) without appropriate discount to present value, late charges, prepayment charges, and increased interest rates upon default.
41. Time-is-of-the-essence clauses.
42. Provisions which provide a time limitation after which a remedy may not be enforced.
43. Agreements to submit to the jurisdiction of any particular court or other governmental authority (either as to personal or subject matter jurisdiction); provisions restricting access to courts; waiver of service of process requirements which would otherwise be applicable; and provisions otherwise purporting to affect the jurisdiction and venue of courts.
44. Provisions appointing one party as an attorney in fact for an adverse party or providing that the decision of any particular person will be conclusive or binding on others.
45. Provisions purporting to limit rights of third parties who have not consented thereto or purporting to grant rights to third parties.
46. Provisions which purport to award attorneys' fees solely to one party.

47. Provisions purporting to create a trust or constructive trust without compliance with applicable trust law.
48. Provisions in the Credit Agreement requiring the Borrower to perform its obligations under, or to cause any other person to perform its obligations under, or stating that any action will be taken as provided in or in accordance with, any other agreement.
49. Provisions, if any, which are contrary to the public policy of any jurisdiction.
50. Confession of judgment provisions.
51. Provisions that attempt to change or waive rules of evidence or fix the method or quantum of proof to be applied in litigation or similar proceedings.
52. Provisions that provide for the appointment of a receiver.
53. Provisions relating to the application of insurance proceeds and condemnation awards.
54. Provisions of the Credit Agreement insofar as they authorize you to set off and apply any deposits at any time held, and any other indebtedness at any time owing, by you to or for the account of the Borrower.

EXHIBIT B

FORM OF
ASSIGNMENT AND ACCEPTANCE

Reference is made to the Credit Agreement dated as of [   ], 2010 (as the same may be amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Credit Agreement"), among WYNDHAM WORLDWIDE CORPORATION (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents, and Syndication Agent named therein and Bank of America, N.A., as Administrative Agent for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Assignor identified on Schedule l hereto (the "Assignor") and the Assignee identified on Schedule l hereto (the "Assignee") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), the interest described in Schedule 1 hereto (the "Assigned Interest") in and to the Assignor's rights and obligations under the Credit Agreement with respect to (a) its Revolving Commitment under the Credit Agreement and its Revolving Credit Loans and/or (b) the Competitive Loan(s) at the time owing to it, in either case, as are set forth on Schedule 1 hereto in the amount(s) as are set forth on Schedule 1 hereto, provided, however, it is expressly understood and agreed that (i) the Assignor is not assigning to the Assignee and the Assignor shall retain (A) all of the Assignor's rights under Section 2.17 of the Credit Agreement with respect to any cost, reduction or payment incurred or made prior to the Effective Date, including without limitation the rights to indemnification and to reimbursement for taxes, costs and expenses and (B) any and all amounts paid to the Assignor prior to the Effective Date and (ii) both Assignor and Assignee shall be entitled to the benefits of Sections 10.4 and 10.5 of the Credit Agreement.

2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Fundamental Documents or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other Fundamental Document or any other instrument or document furnished pursuant hereto or thereto.

3. The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Credit Agreement,

together with copies of the most recent financial statements delivered pursuant to Sections 5.1(a) and 5.1(b) thereof (or if none of such financial statements shall have then been delivered, then copies of the financial statements referred to in Section 3.4 thereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Fundamental Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; and (f) if the Assignee is organized under the laws of a jurisdiction outside the United States, attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement, or such other documents as are necessary to indicate that all such payments are subject to such tax at a rate reduced by an applicable tax treaty.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to Section 10.3 of the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of acceptance and recording by the Administrative Agent) of the executed Assignment and Acceptance.

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

6. From and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the other Fundamental Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

7. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

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8. This Assignment and Acceptance may be executed in counterparts, each of which shall be deemed to constitute an original, but all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to Assignment and Acceptance with respect to
the Credit Agreement dated as of [ ], 2010, among WYNDHAM WORLDWIDE
CORPORATION (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents,
the Syndication Agent named therein and Bank of America, N.A., as Administrative Agent

Legal Name of Assignor: __________

Legal Name of Assignee: __________

Effective Date of Assignment: __________

IF THE ASSIGNOR IS ASSIGNING ITS
REVOLVING COMMITMENT AND ITS REVOLVING CREDIT LOANS

Assignor's Revolving Commitment (without giving effect to any assignments thereof which have not yet become effective):	$ ______
The outstanding balance of Revolving Credit Loans owing to Assignor (unreduced by any assignments thereof which have not yet become effective):	$ ______
The Assignor's pro rata share of the L/C Exposure (unreduced by any assignments thereof which have not yet become effective):	$ ______
Amount of the Assignor's Revolving Commitment Assigned (including a proportionate share of the Revolving Credit Loans owing to Assignor, the Revolving Credit Notes held by it and its rights and obligations with regard to Letters of Credit); must be $5,000,000 or more):	$ ______

IF THE ASSIGNOR IS ASSIGNING ITS
COMPETITIVE LOANS

The outstanding balance of Competitive Loans owed to Assignor (unreduced by any assignments thereof which have not yet become effective): $ ______

The Competitive Loans being assigned hereby:

(i) Principal Amount: $ ______

(ii) Interest Rate Type: ______

(iii) Interest Period and last day thereof: ______

(iv) Amount of such Loan being assigned
(must be $5,000,000 or more) $ ______

Accepted:

BANK OF AMERICA, N.A., as Administrative Agent

By: ______________________
Name:
Title:

__________, as Assignor

By: ______________________
Name:
Title:

__________, as Assignee

By: ______________________
Name:
Title:

Consented to:

WYNDHAM WORLDWIDE CORPORATION

By: ______________________
Name:
Title:

EXHIBIT C

FORM OF
COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered pursuant to Section 5.1(c) of the Credit Agreement dated as of [   ], 2010 (as the same may be amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Credit Agreement"), among WYNDHAM WORLDWIDE CORPORATION (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents, and Syndication Agent named therein and Bank of America, N.A., as Administrative Agent for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

1. I am the duly elected, qualified and acting [Chief Financial Officer] of the Borrower.

2. I have reviewed and am familiar with the contents of this Compliance Certificate.

3. I have reviewed the terms of the Credit Agreement and the Fundamental Documents and have made or caused to be made under my supervision, a review in reasonable detail of the transactions and condition of the Borrower during the accounting period covered by the financial statements attached hereto as Attachment 1 (the "Financial Statements"). Such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Compliance Certificate, of any condition or event which constitutes a Default or Event of Default[, except as set forth below].

4. Attached hereto as Attachment 2 are the computations showing compliance with the covenants set forth in Section 6.5 and 6.6 of the Credit Agreement.

The foregoing certifications, together with the computations and comparisons set forth in the attachment hereto and the financial statements attached to this Compliance Certificate in support hereof, are made and delivered this ___day of __________, __________ pursuant to Section 5.1(c) of the Credit Agreement.

IN WITNESS WHEREOF, I have executed this Compliance Certificate this__________ day of ___, 201_.

WYNDHAM WORLDWIDE CORPORATION

____

Name:
Title:

Attachment 1
to Compliance Certificate

[Attach Financial Statements]

Attachment 2
to Compliance Certificate

The information described herein is as of__________, ___, and pertains to the period from__________, ___to ____________________ ___, ___.

[Set forth Covenant Calculations]

EXHIBIT D-1

FORM OF
COMPETITIVE BID REQUEST

Bank of America, N.A., as Administrative Agent
for the Lenders referred to below
[ ]
[ ]
Attention: ____________________ [Date]

Ladies and Gentlemen:

The undersigned, Wyndham Worldwide Corporation (the "Borrower"), refers to the Credit Agreement dated as of [ ], 2010 (as the same may be amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Credit Agreement"), among the Borrower, the Lenders referred to therein, the Co-Documentation Agents, and Syndication Agent named therein and Bank of America, N.A., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice pursuant to Section 2.7(a) of the Credit Agreement that it requests a Competitive Borrowing under the Credit Agreement and in that connection sets forth below the terms on which such Competitive Borrowing is requested to be made:

(A)	Date of the Competitive Borrowing (which is a Business Day)	________
(B)	Principal Amount of the Competitive Borrowing[1]	$________
(C)	Interest Rate Type[2] of the Competitive Borrowing	________
(D)	Interest Period with respect to the Competitive Borrowing and the last day of such Interest Period[3]	________

1 Shall not be less than $10,000,000 (and must be in an integral multiple of $5,000,000) nor greater than the Total Revolving Commitment then available.

2 LIBOR Loan or Fixed Rate Loan.

3 Shall be subject to the definition of "Interest Period" and shall not end later than the Maturity Date.

(E)	Currency with respect to the Competitive Borrowing	__________
(F)	Funding location of the Competitive Borrowing [Local Competitive Loans only]	__________

Upon acceptance of any or all of the Competitive Loans offered by the Lenders in response to this request, the Borrower shall be deemed to have represented and warranted that the conditions to each Loan specified in Sections 4.2(b) and 4.2(c) of the Credit Agreement have been satisfied.

Very truly yours,

WYNDHAM WORLDWIDE CORPORATION

By: ____
Name:
Title:

EXHIBIT D-2

FORM OF
COMPETITIVE BID INVITATION

[Name of Lender]
[Address]

Attention: [Date]

Ladies and Gentlemen:

Reference is hereby made to the Credit Agreement dated as of [ ], 2010 (as the same may be amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the 'Borrower"), the Lenders referred to therein, the Co-Documentation Agents, and Syndication Agent named therein and Bank of America, N.A., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower made a Competitive Bid Request on ___, 201_, pursuant to Section 2.7(a) of the Credit Agreement, and in that connection you are invited to submit a Competitive Bid by [Date]/[Time].[1] Your Competitive Bid must comply with Section 2.7(b) of the Credit Agreement and the terms set forth below on which the Competitive Bid Request was made:

(A) Date of the Competitive Borrowing ________

(B) Principal Amount of the Competitive Borrowing $________

(C) Interest Rate Type of the Competitive Borrowing ________

[1] The Competitive Bid must be received by the Administrative Agent via telecopier (i) in the case of a request for a LIBOR Competitive Borrowing, not later than 10:00 a.m., New York City time, four Business Days before a proposed Competitive Borrowing, (ii) in the case of a request for a Local Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, four Business Day before the proposed Competitive Borrowing and (iii) in the case of a request for a Domestic Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, three Business Days before the proposed Competitive Borrowing.

(D) Interest Period with respect to the Competitive Borrowing and the last day of such Interest Period ________

(E) Currency with respect to the Competitive Borrowing ________

(F) Funding location of the Competitive Borrowing [Local Competitive Loans only] ________

Very truly yours,

BANK OF AMERICA, N.A.,
as Administrative Agent

By: ____________________________
Name:
Title:

EXHIBIT D-3

FORM OF
COMPETITIVE BID

Bank of America, N.A. as Administrative Agent
for the Lenders referred to below
[ ]
[ ]

Attention: ______________________ [Date]

Ladies and Gentlemen:

The undersigned, [Name of Lender], refers to the Credit Agreement dated as of [ ], 2010 (as the same may be amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the 'Borrower"), the Lenders referred to therein, the Co-Documentation Agents, and Syndication Agent named therein and Bank of America, N.A., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned hereby makes a Competitive Bid pursuant to Section 2.7(b) of the Credit Agreement in response to the Competitive Bid Request made by the Borrower on __________, 201_, and in that connection sets forth below the terms on which such Competitive Bid is made:

[(A)	Principal amount of the Competitive Loan(s) that the undersigned is willing to make[1]	$________]
(B)	Competitive Bid Rate(s)[2] at which the undersigned is willing to make the Competitive Loan(s)	________
(C)	Interest Period(s) with respect to the Competitive Loan(s)	________]
	and the last day of such Interest Period(s)	________]

1 Shall not be less than $10,000,000 nor greater than the requested Competitive Borrowing and shall be in an integral multiple of $5,000,000. Multiple bids will be accepted by the Administrative Agent.

2 i.e., + or - .___%, in the case of a LIBOR Loan (such percentage to be added to, or subtracted from, LIBOR in order to determine the applicable interest rate) or ___%, in the case of a Fixed Rate Loan.

[(D) Funding Office Contact Information [Local Competitive Loans only] ________]

The undersigned hereby confirms that it shall, subject to the terms and conditions set forth in the Credit Agreement, extend credit to the Borrower upon acceptance by the Borrower of this bid in accordance with Section 2.7(d) of the Credit Agreement.

Very truly yours,

[NAME OF LENDER]

By: ____

Name:
Title:

EXHIBIT D-4

FORM OF
COMPETITIVE BID ACCEPT/REJECT LETTER

[Date]

Bank of America, N.A., as Administrative Agent
for the Lenders referred to below
[ ]
[ ]

Attention: ____________________

Ladies and Gentlemen:

The undersigned, Wyndham Worldwide Corporation ("we" or the "Borrower"), refers to the Credit Agreement dated as of [ ], 2010 (as the same may be amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Credit Agreement"), among the Borrower, the Lenders referred to therein, the Co-Documentation Agents and Syndication Agent named therein and Bank of America, N.A., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

In accordance with Section 2.7(c) of the Credit Agreement, we have been notified of the Competitive Bids made in connection with our Competitive Bid Request dated __________, 201___and in accordance with Section 2.7(d) of the Credit Agreement, we hereby accept the following bids for Competitive Loans(s) with a maturity on [date]:

[Principal Amount	Competitive Bid Rate (i.e. Fixed Rate/Margin)	Lender
$	[%]/[+/-. %]	
$		

Total $___]

We hereby reject the following bids:

[Principal Amount	Competitive Bid Rate (i.e. Fixed Rate/Margin)	Lender
$	[%]/[+/-. %]	
$		

Total $___]

The total amount of the bids accepted ($__________) should be deposited on [date] in account number__________, maintained at Bank of America, N.A.

Very truly yours,

[WYNDHAM WORLDWIDE CORPORATION]

By: ______________________________
Name:
Title:

EXHIBIT E

FORM OF
REVOLVING CREDIT BORROWING REQUEST

Bank of America, N.A., as Administrative Agent
for the Lenders referred to below,
[ ]
[ ]

Attention: ____________________ [Date]

Ladies and Gentlemen:

The undersigned, [Wyndham Worldwide Corporation (the "Borrower")], refers to Credit Agreement dated as of [ ], 2010 (as the same may be amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Credit Agreement"), among the Borrower, the Lenders referred to therein, the Co-Documentation Agents, and Syndication Agent named therein and Bank of America, N.A., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. [The Borrower] hereby gives you notice pursuant to Section 2.3 of the Credit Agreement that it requests a Revolving Credit Borrowing under the Credit Agreement and in that connection sets forth below the terms on which such Revolving Credit Borrowing is requested to be made:

(A) Date of the Revolving Credit Borrowing (which is a Business Day) ____________

(B) Principal Amount of the Revolving Credit Borrowing[1] $____________

(C) Interest Rate Type of the Revolving Credit Borrowing[2] ____________

(D) Interest Period(s) with respect to the LIBOR Loan(s) and the last day of such Interest Period(s)[3] ____________

---

[1] Shall (a) in the case of ABR Loans, be in an integral multiple of $500,000 and not less than $5,000,000, (b) in the case of LIBOR Loans, be in an integral multiple of $1,000,000 and not less than $5,000,000 and (c) not be greater than the Total Commitment then available.

[2] LIBOR Borrowing or ABR Borrowing.

(E) Currency with respect to the Revolving Credit Borrowing[4]

Upon acceptance of the Revolving Credit Loans to be made by the Lenders in response to this request, the Borrower shall be deemed to have represented and warranted that the conditions to each Loan specified in Sections 4.2(b) and 4.2(c) [and 4.2(d)] of the Credit Agreement have been satisfied.

Very truly yours,

[WYNDHAM WORLDWIDE CORPORATION]

By: ______________________________
Name:
Title:

---

3 Shall be subject to the definition of “Interest Period” and shall not end later than the Maturity Date. [Complete only in the case where LIBOR Loan(s) are being requested.]

4 Dollars or any Optional Currency.

EXHIBIT F

FORM OF
JOINDER AGREEMENT

JOINDER AGREEMENT, dated as of ___, 201_, made by each signatory hereto (each a "New Subsidiary Borrower"), in favor of Bank of America, N.A., as administrative agent (in such capacity, the "Administrative Agent") for the Lenders referred to in the Credit Agreement dated as of [   ], 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the "Borrower" or "Wyndham Worldwide"), the Lenders referred to therein, the Co-Documentation Agents, and Syndication Agent named therein and the Administrative Agent.

W I T N E S S E T H:

WHEREAS, the parties to this Joinder Agreement wish to add the New Subsidiary Borrower to the Credit Agreement in the manner hereinafter set forth; and

WHEREAS, this Joinder Agreement is entered into pursuant to subsection 10.9(b)(i) of the Credit Agreement;

NOW, THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

1. The New Subsidiary Borrower, hereby acknowledges that it has received and reviewed a copy of the Credit Agreement, and acknowledges and agrees to: join the Credit Agreement as a Subsidiary Borrower, as indicated with its signature below; be bound by all covenants, agreements and acknowledgments attributable to a Subsidiary Borrower in the Credit Agreement; and perform all obligations and duties required of it by the Credit Agreement.

2. The New Subsidiary Borrower represents and warrants that the representations and warranties contained Section 3 of the Credit Agreement (other than Section 3.4 and 3.5) as they relate to such New Subsidiary Borrower or which are contained in any certificate furnished by or on behalf of such New Subsidiary Borrower are true and correct on the date hereof.

3. The address, taxpayer identification number and jurisdiction of incorporation of each of the New Subsidiary Borrower is set forth in Annex I to this Joinder Agreement.

4. THIS JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

IN WITNESS WHEREOF, each of the undersigned has caused this Joinder Agreement to be duly executed and delivered by its proper and duly authorized officer as of the day and year first above written.

[NEW SUBSIDIARY BORROWER],
as a Subsidiary Borrower

By: ______________________________
Name:
Title:

ACKNOWLEDGED AND AGREED TO:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: ______________________________
Name:
Title:

EXHIBIT G-1

FORM OF
NEW REVOLVING LENDER SUPPLEMENT

Reference is made to the Credit Agreement dated as of [ ], 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents, and Syndication Agent named therein and Bank of America, N.A., as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The New Lender identified on Schedule l hereto (the "New Lender"), the Administrative Agent and the Borrower agree as follows:

1. The New Lender hereby irrevocably makes a Revolving Commitment available to the Borrower in the amount set forth on Schedule 1 hereto (the "New Commitment") pursuant to Section 2.14(e) of the Credit Agreement, as applicable. From and after the Effective Date (as defined below), the New Lender will be a Lender under the Credit Agreement with respect to the New Commitment.

2. The Administrative Agent (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement; and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Subsidiaries or any other obligor or the performance or observance by the Borrower, any of its Subsidiaries or any other obligor of any of their respective obligations under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto.

3. The New Lender (a) represents and warrants that it is legally authorized to enter into this New Revolving Lender Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.1 of the Credit Agreement (or, if no such financial statements have been delivered, copies of the financial statements delivered pursuant to Section 3.4 thereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this New Revolving Lender Supplement; (c) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished

pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. The effective date of this New Revolving Lender Supplement shall be the Effective Date of the New Commitment described in Schedule 1 hereto (the "Effective Date"). Following the execution of this New Revolving Lender Supplement by each of the New Lender and the Borrower, it will be delivered to the Administrative Agent for acceptance and recording by it pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the New Commitment (including payments of principal, interest, fees and other amounts) to the New Lender for amounts which have accrued on and subsequent to the Effective Date.

6. From and after the Effective Date, the New Lender shall be a party to the Credit Agreement and, to the extent provided in this New Revolving Lender Supplement, have the rights and obligations of a Lender thereunder and shall be bound by the provisions thereof.

7. This New Revolving Lender Supplement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this New Revolving Lender Supplement to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to New Revolving Lender Supplement

Name of New Lender: ______________________________

Effective Date of New Commitment: ______________________________

Principal Amount of New Commitment: $ ______________________________

[NAME OF NEW LENDER]

By: ______________________________
Name:
Title:

WYNDHAM WORLDWIDE CORPORATION

By: ______________________________
Name:
Title:

Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: ______________________________
Name:
Title:

EXHIBIT G-2

FORM OF
INCREMENTAL FACILITY SUPPLEMENT[1]

Reference is made to the Credit Agreement dated as of [   ], 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents, and Syndication Agent named therein and Bank of America, N.A., as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Incremental Lender identified on Schedule l hereto (the "Incremental Lender"), the Administrative Agent and the Borrower agree as follows:

1. The Incremental Lender hereby irrevocably makes a commitment to the Incremental Facility described on Schedule I hereto (the "Incremental Facility") in the amount set forth on Schedule 1 hereto (its "Incremental Commitment") pursuant to Section 2.28 of the Credit Agreement, as applicable. From and after the Effective Date (as defined below), the Incremental Lender will be a Lender under the Credit Agreement with respect to the Incremental Commitment.

2. The Administrative Agent (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement; and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Subsidiaries or any other obligor or the performance or observance by the Borrower, any of its Subsidiaries or any other obligor of any of their respective obligations under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto.

3. The Incremental Lender (a) represents and warrants that it is legally authorized to enter into this Incremental Facility Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.1 of the Credit Agreement (or, if no such financial statements have been delivered, copies of the financial statements delivered pursuant to Section 3.4 thereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Incremental Facility Supplement; (c) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to

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1 This Supplement may be revised as appropriate to provide for multiple Incremental Lenders signing this Agreement.

make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. The effective date of this Incremental Facility Supplement shall be the Effective Date of the Incremental Facility described in Schedule 1 hereto (the "Effective Date"). Following the execution of this Incremental Facility Supplement by each of the Incremental Lender and the Borrower, it will be delivered to the Administrative Agent for acceptance and recording by it pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Incremental Commitment (including payments of principal, interest, fees and other amounts) to the Incremental Lender for amounts which have accrued on and subsequent to the Effective Date.

6. From and after the Effective Date, the Incremental Lender shall be a party to the Credit Agreement and, to the extent provided in this Incremental Facility Supplement, have the rights and obligations of a Lender thereunder and shall be bound by the provisions thereof.

7. This Incremental Facility Supplement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Incremental Facility Supplement to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to Incremental Facility Supplement

Name of Incremental Lender: ______________________________

Effective Date of Incremental Facility: ______________________________

Principal Amount of Incremental Commitment: $ ______________________________

Terms of Incremental Facility:

[Maturity]

[Interest Rate/Pricing]

[Other Terms]

[NAME OF INCREMENTAL LENDER]

By: ______________________________
Name:
Title:

WYNDHAM WORLDWIDE CORPORATION

By: ______________________________
Name:
Title:

Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: ______________________________
Name:
Title:

EXHIBIT H

FORM OF
COMMITMENT INCREASE SUPPLEMENT

Reference is made to the Credit Agreement dated as of [ ], 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Wyndham Worldwide Corporation (the "Borrower"), the Lenders referred to therein, the Co-Documentation Agents, and Syndication Agent named therein and Bank of America, N.A., as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Increasing Lender identified on Schedule l hereto (the "Increasing Lender"), the Administrative Agent and the Borrower agree as follows:

1. The Increasing Lender hereby irrevocably increases its Revolving Commitment to the Borrower by the amount set forth on Schedule 1 hereto (the "Increased Commitment") pursuant to Section 2.14(f) of the Credit Agreement. From and after the Effective Date (as defined below), the Increasing Lender will be a Lender under the Credit Agreement with respect to the Increased Commitment as well as its existing Revolving Commitment under the Credit Agreement.

2. The Administrative Agent (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement; and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Subsidiaries or any other obligor or the performance or observance by the Borrower, any of its Subsidiaries or any other obligor of any of their respective obligations under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto.

3. The Increasing Lender (a) represents and warrants that it is legally authorized to enter into this Commitment Increase Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.1 of the Credit Agreement (or, if no such financial statements have been delivered, copies of the financial statements delivered pursuant to Section 3.4 thereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Commitment Increase Supplement; (c) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers

and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. The effective date of this Commitment Increase Supplement shall be the Effective Date of the Increased Commitment described in Schedule 1 hereto (the "Effective Date"). Following the execution of this Commitment Increase Supplement by each of the Increasing Lender and the Borrower, it will be delivered to the Administrative Agent for acceptance and recording by it pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Increased Commitment (including payments of principal, interest, fees and other amounts) to the Increasing Lender for amounts which have accrued on and subsequent to the Effective Date.

6. From and after the Effective Date, the Increasing Lender shall be a party to the Credit Agreement and, to the extent provided in this Commitment Increase Supplement, have the rights and obligations of a Lender thereunder and shall be bound by the provisions thereof.

7. This Commitment Increase Supplement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Commitment Increase Supplement to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to Commitment Increase Supplement

Name of Increasing Lender: ______________________________

Effective Date of Increased Commitment: ______________________________

Principal Amount of Increased Commitment:	Total Amount of Revolving Commitment of Increasing Lender (including Increased Commitment):
$____________________	$____________________

[NAME OF INCREASING LENDER]

By: ______________________________
Name:
Title:

WYNDHAM WORLDWIDE CORPORATION

By: ______________________________
Name:
Title:

Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: ______________________________
Name:
Title:

Exhibit 12

WYNDHAM WORLDWIDE CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in millions)

	Three Months Ended March 31,	
	2010	2009
Earnings available to cover fixed charges:		
Income before income taxes	$ 82	$ 74
Plus: Fixed charges	80	58
Amortization of capitalized interest	3	3
Less: Capitalized interest	1	3
Earnings available to cover fixed charges	$ 164	$ 132
Fixed charges (*):		
Interest, including amortization of deferred financing costs	$ 74	$ 51
Interest portion of rental expense	6	7
Total fixed charges	$ 80	$ 58
Ratio of earnings to fixed charges	2.05x	2.28x

(*) Consists of interest expense on all indebtedness (including costs related to the early extinguishment of debt and the amortization of deferred financing costs) and the portion of operating lease rental expense that is representative of the interest factor.

* * *

Exhibit 15

April 30, 2010

Wyndham Worldwide Corporation
22 Sylvan Way
Parsippany, NJ 07054

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of Wyndham Worldwide Corporation and subsidiaries for the three-month periods ended March 31, 2010, and 2009, as indicated in our report dated April 30, 2010; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, is incorporated by reference in Registration Statement No. 333-136090 on Form S-8 and Registration Statement No. 333-155676 on Form S-3.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ Deloitte & Touche LLP
Parsippany, New Jersey

* * *

Exhibit 31.1

CERTIFICATION

I, Stephen P. Holmes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wyndham Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13(a)-15(f) and 15(d)-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: April 30, 2010

/s/ STEPHEN P. HOLMES

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Exhibit 31.2

CERTIFICATION

I, Thomas G. Conforti, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wyndham Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13(a)-15(f) and 15(d)-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: April 30, 2010

/s/ THOMAS G. CONFORTI
CHIEF FINANCIAL OFFICER

Exhibit 32

**CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Wyndham Worldwide Corporation (the "Company") on Form 10-Q for the period ended March 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Stephen P. Holmes, as Chairman and Chief Executive Officer of the Company, and Thomas G. Conforti, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ STEPHEN P. HOLMES
Stephen P. Holmes
Chairman and Chief Executive Officer
April 30, 2010

/s/ THOMAS G. CONFORTI
Thomas G. Conforti
Chief Financial Officer
April 30, 2010