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 September 30, 2021

OR

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

COMMISSION FILE NO. 001-13393

CHOICE HOTELS INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**52-1209792**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
1 Choice Hotels Circle, Suite 400 **Rockville, Maryland**	**20850**
(Address of Principal Executive Offices)	**(Zip Code)**

(Registrant's telephone number, including area code): (301) 592-5000
(Former name, former address and former fiscal year, if changed since last report): N/A

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, Par Value $0.01 per share	CHH	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares of common stock outstanding on October 29, 2021 was 55,629,330.

CHOICE HOTELS INTERNATIONAL, INC. AND SUBSIDIARIES

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CHOICE HOTELS INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
REVENUES				
Royalty fees	**$ 127,317**	$ 79,666	**$ 299,606**	$ 200,157
Initial franchise and relicensing fees	**6,149**	6,071	**18,904**	20,031
Procurement services	**13,010**	10,115	**36,293**	34,609
Marketing and reservation system	**156,871**	107,141	**384,380**	297,203
Owned hotels	**11,377**	4,201	**24,724**	15,731
Other	**8,645**	3,577	**20,753**	12,948
Total revenues	**323,369**	210,771	**784,660**	580,679
OPERATING EXPENSES				
Selling, general and administrative	**35,110**	31,779	**99,847**	104,098
Depreciation and amortization	**5,883**	6,382	**18,477**	19,309
Marketing and reservation system	**116,216**	113,808	**327,674**	333,564
Owned hotels	**7,054**	3,812	**16,534**	12,822
Total operating expenses	**164,263**	155,781	**462,532**	469,793
Loss on impairment of assets	**—**	(4,290)	**—**	(5,516)
Operating income	**159,106**	50,700	**322,128**	105,370
OTHER INCOME AND EXPENSES, NET				
Interest expense	**11,638**	12,691	**35,106**	37,153
Interest income	**(1,202)**	(1,744)	**(3,717)**	(6,277)
Loss on extinguishment of debt	**—**	15,958	**—**	16,565
Other (gains) losses	**407**	(2,030)	**(2,906)**	(858)
Equity in net (gain) loss of affiliates	**(3,326)**	1,731	**1,492**	7,172
Total other income and expenses, net	**7,517**	26,606	**29,975**	53,755
Income before income taxes	**151,589**	24,094	**292,153**	51,615
Income tax expense (benefit)	**34,934**	9,594	**67,279**	(15,907)
Net income	**$ 116,655**	$ 14,500	**$ 224,874**	$ 67,522
Basic earnings per share	**$ 2.10**	$ 0.26	**$ 4.05**	$ 1.22
Diluted earnings per share	**$ 2.08**	$ 0.26	**$ 4.01**	$ 1.21
Cash dividends declared per share	**$ 0.225**	$ —	**$ 0.450**	$ 0.225

The accompanying notes are an integral part of these consolidated financial statements.

CHOICE HOTELS INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(IN THOUSANDS)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income	**$ 116,655**	$ 14,500	**$ 224,874**	$ 67,522
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment	**(57)**	240	**66**	(237)
Other comprehensive income (loss), net of tax	**(57)**	240	**66**	(237)
Comprehensive income	**$ 116,598**	$ 14,740	**$ 224,940**	$ 67,285

The accompanying notes are an integral part of these consolidated financial statements.

CHOICE HOTELS INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)
(UNAUDITED)

	September 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	**$ 415,116**	$ 234,779
Accounts receivable (net of allowance for credit losses of $48,275 and $59,424, respectively)	**197,999**	149,921
Income taxes receivable	**—**	4,186
Notes receivable (net of allowance for credit losses of $7,428 and $4,179, respectively)	**71,334**	24,048
Prepaid expenses and other current assets	**26,520**	19,980
Total current assets	**710,969**	432,914
Property and equipment, at cost (net of accumulated depreciation and amortization of $248,693 and $223,421, respectively)	**351,768**	334,901
Operating lease right-of-use assets	**10,655**	17,688
Goodwill	**159,196**	159,196
Intangible assets (net of accumulated amortization of $175,548 and $163,128, respectively)	**306,008**	303,725
Notes receivable (net of allowance for credit losses of $12,611 and $15,305, respectively)	**67,755**	95,785
Investments, employee benefit plans, at fair value	**31,285**	29,104
Investments in unconsolidated entities	**42,961**	57,879
Deferred income taxes	**101,922**	67,745
Other assets	**83,415**	88,396
Total assets	**$ 1,865,934**	$ 1,587,333
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	**$ 88,056**	$ 83,329
Accrued expenses and other current liabilities	**129,173**	78,920
Deferred revenue	**80,607**	50,290
Current portion of long-term debt	**216,217**	—
Liability for guest loyalty program	**76,541**	43,308
Total current liabilities	**590,594**	255,847
Long-term debt	**843,820**	1,058,738
Long-term deferred revenue	**106,410**	122,406
Deferred compensation and retirement plan obligations	**35,958**	33,756
Income taxes payable	**20,642**	23,394
Operating lease liabilities	**5,666**	12,739
Liability for guest loyalty program	**40,236**	77,071
Other liabilities	**10,462**	9,134
Total liabilities	**1,653,788**	1,593,085
Commitments and Contingencies		
Common stock, $0.01 par value; 160,000,000 shares authorized; 95,065,638 shares issued at September 30, 2021 and December 31, 2020; 55,630,704 and 55,535,554 shares outstanding at September 30, 2021 and December 31, 2020, respectively	**951**	951
Additional paid-in-capital	**253,361**	233,921
Accumulated other comprehensive loss	**(4,580)**	(4,646)
Treasury stock, at cost; 39,434,934 and 39,530,084 shares at September 30, 2021 and December 31, 2020, respectively	**(1,261,926)**	(1,260,478)
Retained earnings	**1,224,340**	1,024,500
Total shareholders' equity (deficit)	**212,146**	(5,752)
Total liabilities and shareholders' equity (deficit)	**$ 1,865,934**	$ 1,587,333

The accompanying notes are an integral part of these consolidated financial statements.

CHOICE HOTELS INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 224,874**	$ 67,522
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**18,477**	19,309
Depreciation and amortization – marketing and reservation system	**18,364**	14,994
Franchise agreement acquisition cost amortization	**9,734**	8,343
Loss on impairment of assets	—	5,516
Loss on extinguishment of debt	—	16,565
Non-cash stock compensation and other charges	**24,277**	4,748
Non-cash interest and other investment income	**(11,039)**	(465)
Deferred income taxes	**(34,285)**	(31,411)
Equity in net losses from unconsolidated joint ventures, less distributions received	**8,421**	7,320
Franchise agreement acquisition costs, net of reimbursements	**(28,466)**	(16,960)
Change in working capital and other	**14,887**	(25,801)
Net cash provided by operating activities	**245,244**	69,680
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in property and equipment	**(46,098)**	(32,176)
Investment in intangible assets	**(3,113)**	(1,212)
Proceeds from sale of tax credits for rehabilitation of historic building	—	9,197
Contributions to equity method investments	**(2,150)**	(4,620)
Distributions and sale proceeds from equity method investments	**15,554**	3,362
Purchases of investments, employee benefit plans	**(1,279)**	(2,254)
Proceeds from sales of investments, employee benefit plans	**2,487**	2,372
Purchase/issuance of notes receivable	**(17,918)**	(9,845)
Collection of notes receivable	**63**	5,113
Other items, net	**(115)**	(473)
Net cash used in investing activities	**(52,569)**	(30,536)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Term Loan	—	249,500
Proceeds from issuance of 2020 Senior Notes	—	447,723
Net borrowings pursuant to revolving credit facilities	—	(18,200)
Principal payments on long-term debt	—	(466,915)
Payments to extinguish long-term debt	—	(14,347)
Debt issuance costs	**(365)**	(4,620)
Purchase of treasury stock	**(10,039)**	(55,158)
Dividends paid	**(12,528)**	(25,274)
Proceeds from exercise of stock options	**10,817**	6,615
Net cash (used in) provided by financing activities	**(12,115)**	119,324
Net change in cash and cash equivalents	**180,560**	158,468
Effect of foreign exchange rate changes on cash and cash equivalents	**(223)**	(267)
Cash and cash equivalents at beginning of period	**234,779**	33,766
Cash and cash equivalents at end of period	**$ 415,116**	$ 191,967
Supplemental disclosure of cash flow information		
Cash payments during the period for:		
Income taxes, net of refunds	**$ 58,229**	$ 41
Interest, net of capitalized interest	**$ 36,519**	$ 37,338
Non-cash investing and financing activities:		
Dividends declared but not paid	**$ 12,517**	$ —
Investment in property, equipment and intangibles acquired in accounts payable and accrued liabilities	**$ 6,920**	$ 757

The accompanying notes are an integral part of these consolidated financial statements.

CHOICE HOTELS INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)
(UNAUDITED)

	Common Stock - Shares Outstanding	Common Stock - Par Value	Additional Paid-in-Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Retained Earnings	Total
Balance as of December 31, 2019	55,702,628	$ 951	$ 231,160	$ (4,550)	$ (1,219,905)	$ 968,833	$ (23,511)
Cumulative-effect adjustment [(1)]	—	—	—	—	—	(6,831)	(6,831)
Net income	—	—	—	—	—	55,463	55,463
Other comprehensive income (loss)	—	—	—	(664)	—	—	(664)
Share-based payment activity [(2)]	294,826	—	(9,607)	—	8,089	(269)	(1,787)
Dividends declared ($0.225 per share) [(2)]	—	—	—	—	—	(12,452)	(12,452)
Treasury purchases	(657,031)	—	—	—	(54,072)	—	(54,072)
Balance as of March 31, 2020	55,340,423	$ 951	$ 221,553	$ (5,214)	$ (1,265,888)	$ 1,004,744	$ (43,854)
Net income	—	—	—	—	—	(2,441)	(2,441)
Other comprehensive income (loss)	—	—	—	187	—	—	187
Share-based payment activity [(2)]	29,997	—	2,166	—	1,825	(171)	3,820
Dividends declared [(2)]	—	—	—	—	—	—	—
Treasury purchases	(6,525)	—	—	—	(464)	—	(464)
Balance as of June 30, 2020	55,363,895	$ 951	$ 223,719	$ (5,027)	$ (1,264,527)	$ 1,002,132	$ (42,752)
Net income	—	—	—	—	—	14,500	14,500
Other comprehensive income (loss)	—	—	—	240	—	—	240
Share based payment activity [(2)]	101,857	—	4,802	—	2,424	3	7,229
Dividends declared [(2)]	—	—	—	—	—	—	—
Treasury purchases	(7,504)	—	—	—	(621)	—	(621)
Balance as of September 30, 2020	55,458,248	951	228,521	(4,787)	(1,262,724)	1,016,635	(21,404)

	Common Stock - Shares Outstanding	Common Stock - Par Value	Additional Paid-in-Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Retained Earnings	Total
Balance as of December 31, 2020	**55,535,554**	**$ 951**	**$ 233,921**	**$ (4,646)**	**$ (1,260,478)**	**$ 1,024,500**	**$ (5,752)**
Net income	**—**	**—**	**—**	**—**	**—**	**22,337**	**22,337**
Other comprehensive income (loss)	**—**	**—**	**—**	**52**	**—**	**—**	**52**
Share-based payment activity [(2)]	**48,781**	**—**	**3,617**	**—**	**4,030**	**(3)**	**7,644**
Dividends declared [(2)]	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Treasury purchases	**(46,499)**	**—**	**—**	**—**	**(5,046)**	**—**	**(5,046)**
Balance as of March 31, 2021	**55,537,836**	**$ 951**	**$ 237,538**	**$ (4,594)**	**$ (1,261,494)**	**$ 1,046,834**	**$ 19,235**
Net income	**—**	**—**	**—**	**—**	**—**	**85,882**	**85,882**
Other comprehensive income (loss)	**—**	**—**	**—**	**71**	**—**	**—**	**71**
Share-based payment activity [(2)]	**111,895**	**—**	**9,066**	**—**	**3,516**	**1**	**12,583**
Dividends declared ($0.225 per share) [(2)]	**—**	**—**	**—**	**—**	**—**	**(12,521)**	**(12,521)**
Treasury purchases	**(2,738)**	**—**	**—**	**—**	**(317)**	**—**	**(317)**
Balance as of June 30, 2021	**55,646,993**	**$ 951**	**$ 246,604**	**$ (4,523)**	**$ (1,258,295)**	**$ 1,120,196**	**$ 104,933**
Net income	**—**	**—**	**—**	**—**	**—**	**116,655**	**116,655**
Other comprehensive income (loss)	**—**	**—**	**—**	**(57)**	**—**	**—**	**(57)**
Share based payment activity [(2)]	**23,757**	**—**	**6,757**	**—**	**1,045**	**6**	**7,808**
Dividends declared ($0.225 per share) [(2)]	**—**	**—**	**—**	**—**	**—**	**(12,517)**	**(12,517)**
Treasury purchases	**(40,046)**	**—**	**—**	**—**	**(4,676)**	**—**	**(4,676)**
Balance as of September 30, 2021	**55,630,704**	**951**	**253,361**	**(4,580)**	**(1,261,926)**	**1,224,340**	**212,146**

(1) Reflects the cumulative effect of ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)* and subsequent amendments issued thereafter (collectively "Topic 326"), which was adopted on January 1, 2020. Refer to Note 3.

(2) During the fourth quarter of 2019, the Company's board of directors announced a 5% increase to the quarterly dividend rate to $0.225 per share from $0.215 per share, beginning with the dividend payable in the first quarter of 2020. On February 28, 2020, the Company’s board of directors declared a quarterly cash dividend of $0.225 per share of common stock. The dividend was payable on April 16, 2020 to shareholders of record on April 2, 2020. In April 2020, subsequent to the payment of the dividend and in light of uncertainty resulting from the COVID-19 pandemic, we suspended future, undeclared dividends. During 2020 and 2021, accumulated dividends were paid to certain shareholders upon vesting of certain performance vested restricted stock units ("PVRSU") which are captured in Share-based payment activity. On May 7, 2021 and September 9, 2021, the Company's board of directors declared a quarterly cash dividend of $0.225 per share of common stock.

The accompanying notes are an integral part of these consolidated financial statements.

CHOICE HOTELS INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements of Choice Hotels International, Inc. and its subsidiaries (together the "Company") have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America ("GAAP") pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated in consolidation.

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments that are necessary to fairly present the Company's financial position and results of operations. Except as otherwise disclosed, all adjustments are of a normal recurring nature.

Certain information and footnote disclosures normally included in financial statements presented in accordance with GAAP have been omitted. Although we believe the disclosures made are adequate to prevent the information presented from being misleading, these financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020 and notes thereto included in the Company’s Annual Report on Form 10-K, filed with the SEC on February 26, 2021. Interim results are not necessarily indicative of the entire year results.

Certain prior year amounts in our consolidated financial statements have been reclassified in order to maintain comparability with current year presentation. Foreign currency transaction gains and losses that were previously presented in selling, general and administrative ("SG&A") expenses are now presented within other gain (loss) in the consolidated statements of income. The reclassification had no effect on the Company’s previously reported results of operations.

Summary of Significant Accounting Policies

The Company’s significant accounting policies are detailed in the “Summary of Significant Accounting Policies” section of Note 1 in the Annual Report on Form 10-K for the year ended December 31, 2020. The significant accounting policies that changed in 2021 are set forth below.

Recently Adopted Accounting Standards

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). ASU 2019-12 enhances and simplifies various aspects of the income tax accounting guidance in Accounting Standards Codification ("ASC") 740, *Income Taxes.* The Company adopted ASU 2019-12 on January 1, 2021 and the adoption does not have material impacts on our consolidated financial statements and disclosures.

2. Revenue

Contract Liabilities

Contract liabilities relate to (i) advance consideration received, such as initial franchise and relicensing fees paid when a franchise agreement is executed and system implementation fees paid at time of installation, for services considered to be part of the brand intellectual property performance obligation and (ii) amounts received when Choice Privileges points are issued, but for which revenue is not yet recognized since the related points have not been redeemed.

Deferred revenues from initial and relicensing fees and system implementation fees will typically be recognized over a five- to ten-year period, unless the franchise agreement is terminated and the hotel exits the franchise system whereby remaining deferred amounts will be recognized to revenue in the period of termination. Loyalty points are typically redeemed within three years of issuance.

Significant changes in the contract liabilities balances during the period December 31, 2020 to September 30, 2021 are as follows:

(in thousands)		
Balance as of December 31, 2020	$	**156,227**
Increases to the contract liability balance due to cash received		**76,936**
Revenue recognized in the period		**(58,264)**
Balance as of September 30, 2021	$	**174,899**

Remaining Performance Obligations

The aggregate amount of transaction price allocated to unsatisfied or partially unsatisfied performance obligations is $174.9 million as of September 30, 2021. This amount represents fixed transaction price that will be recognized as revenue in future periods, which is captured in the consolidated balance sheet as current and non-current deferred revenue.

Based on practical expedient elections permitted by ASU 2014-09, *Revenue From Contracts with Customers (Topic 606)* and subsequent amendments ("Topic 606"), the Company does not disclose the value of unsatisfied performance obligations for (i) variable consideration subject to the sales or usage-based royalty constraint or comprising a component of a series (including franchise, partnership, qualified vendor, and software as a service ("SaaS") agreements), (ii) variable consideration for which we recognize revenue at the amount to which we have the right to invoice for services performed, or (iii) contracts with an expected original duration of one year or less.

Disaggregation of Revenue

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
(in thousands)	Over time	Point in time	Total	Over time	Point in time	Total
Royalty fees	$ **127,317**	$ **—**	$ **127,317**	$ 79,666	$ —	$ 79,666
Initial franchise and relicensing fees	**6,149**	**—**	**6,149**	6,071	—	6,071
Procurement services	**12,285**	**725**	**13,010**	9,620	495	10,115

Marketing and reservation system	**145,216**	**11,655**	**156,871**	93,327	13,814	107,141
Owned hotels	**9,614**	**1,652**	**11,266**	3,498	595	4,093
Other	**8,645**	**—**	**8,645**	3,317	—	3,317
Total Topic 606 revenues	**$ 309,226**	**$ 14,032**	**323,258**	$ 195,499	$ 14,904	210,403
Non-Topic 606 revenues			**111**			368
Total revenues			**$ 323,369**			$ 210,771

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
(in thousands)	Over time	Point in time	Total	Over time	Point in time	Total
Royalty fees	**$ 299,606**	**$ —**	**$ 299,606**	$ 200,157	$ —	$ 200,157
Initial franchise and relicensing fees	**18,904**	**—**	**18,904**	20,031	—	20,031
Procurement services	**34,526**	**1,767**	**36,293**	33,069	1,540	34,609
Marketing and reservation system	**346,211**	**38,169**	**384,380**	247,092	50,111	297,203
Owned hotels	**20,683**	**3,709**	**24,392**	13,159	2,248	15,407
Other	**20,753**	**—**	**20,753**	12,167	—	12,167
Total Topic 606 revenues	**$ 740,683**	**$ 43,645**	**784,328**	$ 525,675	$ 53,899	579,574
Non-Topic 606 revenues			**332**			1,105
Total revenues			**$ 784,660**			$ 580,679

Non-Topic 606 revenues primarily represent revenue from leasing and are presented in Owned hotels and Other revenues in the consolidated statements of income.

As presented in Note 11, the Corporate & Other segment amounts represent $13.5 million and $6.4 million for the three months ended September 30, 2021 and 2020, respectively, and $30.5 million and $21.8 million for the nine months ended September 30, 2021 and 2020, respectively, and are included in the Over time column of Other revenues and the Owned hotels and Non-Topic 606 revenues rows. The remaining revenues relate to the Hotel Franchising segment.

Royalty fees and Marketing and reservation system revenues are presented net of intersegment revenues of $0.9 million and $0.3 million for the three months ended September 30, 2021 and 2020, respectively, and $1.9 million and $1.2 million for the nine months ended September 30, 2021 and 2020, respectively.

3. Receivables and Allowance for Credit Losses

Notes Receivable

The Company has provided financing in the form of notes receivable loans to franchisees to support the development of properties in strategic markets. The Company's credit quality indicator is the level of security in the note receivable.

The composition of notes receivable balances by credit quality indicator and the allowance for credit losses is as follows:

(in thousands)	September 30, 2021	December 31, 2020
Senior	**$ 123,526**	$ 104,716
Subordinated	**34,192**	33,234
Unsecured	**1,410**	1,367
Total notes receivable	**159,128**	139,317
Total allowance for notes receivable credit losses	**(20,039)**	(19,484)
Total notes receivable, net of allowance	**$ 139,089**	$ 119,833
Current portion, net of allowance	**$ 71,334**	$ 24,048
Long-term portion, net of allowance	**$ 67,755**	$ 95,785

During the second quarter of 2021, the Company acquired a senior note collateralized by an operating hotel for $17.9 million. The acquired senior note has an origination date in June 2018.

Amortized cost basis by year of origination and credit quality indicator are as follows:

(in thousands)	2021	2020	2019	Prior	Total
Senior	$ —	$ —	$ 28,867	$ 94,659	$ 123,526
Subordinated	—	—	2,747	31,445	34,192
Unsecured	—	—	—	1,410	1,410
Total notes receivable	$ —	$ —	$ 31,614	$ 127,514	$ 159,128

The following table summarizes the activity related to the Company's notes receivable allowance for credit losses, including the impacts of adopting Topic 326:

(in thousands)	September 30, 2021	December 31, 2020
Beginning balance	**$ 19,484**	$ 4,556
Allowances established from adoption of Topic 326	**—**	8,348
Provision for credit losses	**555**	7,634
Write-offs	**—**	(1,054)
Ending balance	**$ 20,039**	$ 19,484

The provisions recorded in the nine months ended September 30, 2021 primarily result from changes in the classification of certain loans as collateral-dependent and associated revisions to their allowances. Allowances for credit losses attributable to collateral-dependent loans are $9.1 million and $7.8 million as of September 30, 2021 and December 31, 2020, respectively.

As of September 30, 2021, three loans with senior and/or subordinated tranches met the definition of collateral-dependent and are collateralized by either land parcels, an operating hotel, or membership interests in the borrowing entities. The Company used a discounted cash flow ("DCF") technique to project cash flows or a market approach via quoted market prices to value the underlying collateral. The Company reviewed the borrower's financial statements, economic trends, industry projections for the market, and comparable sales capitalization rates, which represent significant inputs to the cash flow projections. These nonrecurring fair value measurements are classified as level three of the fair value measurement hierarchy, as there are unobservable inputs which are significant to the overall fair value. Based on these analyses, the fair value of collateral secures the carrying value of each loan to a significant extent.

During the first quarter of 2021, a loan with senior and subordinated tranches, that met the definition of collateral-dependent as of December 31, 2020, was restructured and as a result no longer meets the classification of collateral-dependent as of September 30, 2021.

In September 2021, the Company reached a settlement with a borrower holding a loan classified as collateral-dependent, collateralized by an operating hotel. The key terms of the settlement resulted in a deed in lieu of foreclosure on the operating hotel in exchange for releasing obligations pursuant to the senior and mezzanine loans and the associated franchise agreement. The property was exchanged in full settlement of the senior and mezzanine loans and will be recorded at fair value as of the acquisition date of October 1, 2021. The Company will account for the acquisition of the hotel as an asset acquisition in the fourth quarter of 2021.

As a result of the COVID-19 pandemic, the Company extended interest deferral terms on certain notes receivable. The Company considers loans past due and in default when payments are not made when due in accordance with then current loan provisions or terms extended to borrowers, including loans with concessions or interest deferral. The Company suspends the accrual of interest when payments on loans are more than 30 days past due or upon a loan being classified as collateral-dependent. The Company applies payments received for loans on non-accrual status first to interest and then to principal. The Company does not resume interest accrual until all delinquent payments are received based on then current loan provisions. The amortized cost basis of notes receivable on non-accrual status was $68.7 million and $28.9 million at September 30, 2021 and December 31, 2020, respectively.

The Company has identified loans totaling approximately $13.1 million as of both September 30, 2021 and December 31, 2020, with stated interest rates that are less than market rate, representing a total unamortized discount of $0.4 million and $0.8 million as of September 30, 2021 and December 31, 2020, respectively. These discounts are reflected as a reduction of the outstanding loan amounts and are amortized over the life of the related loan.

The past due balances by credit quality indicator of notes receivable are as follows:

(in thousands)	1- 30 days Past Due	31-89 days Past Due	> 90 days Past Due	Total Past Due	Current	Total Notes Receivable
As of September 30, 2021						
Senior	**$ —**	**$ —**	**$ 17,917**	**$ 17,917**	**$ 105,609**	**$ 123,526**
Subordinated	**—**	**—**	**8,838**	**8,838**	**25,354**	**34,192**
Unsecured	**—**	**—**	**—**	**—**	**1,410**	**1,410**
	$ —	**$ —**	**$ 26,755**	**$ 26,755**	**$ 132,373**	**$ 159,128**
As of December 31, 2020						
Senior	$ —	$ —	$ 15,200	$ 15,200	$ 89,516	$ 104,716
Subordinated	—	—	2,209	2,209	31,025	33,234
Unsecured	—	—	—	—	1,367	1,367
	$ —	$ —	$ 17,409	$ 17,409	$ 121,908	$ 139,317

The Company evaluated its off-balance-sheet credit exposure for loan commitments and determined the likelihood of having to perform is remote as of September 30, 2021. Refer to Note 12.

The Company has issued notes receivables to certain entities that have created variable interests in these borrowers totaling $138.5 million and $119.3 million as of September 30, 2021 and December 31, 2020, respectively. The Company has determined that it is not the primary beneficiary of these variable interest entities ("VIEs"). These loans have stated fixed and/or variable interest amounts.

Accounts Receivable

Accounts receivable consist primarily of franchise and related fees due from hotel franchisees and are recorded at the invoiced amount.

During the nine months ended September 30, 2020, the Company recorded provisions for credit losses on accounts receivable of $10.4 million in SG&A expenses and $18.0 million in marketing and reservation system expenses, in consideration of the economic and credit conditions resulting from the COVID-19 pandemic and estimates of other expected credit losses. During nine months ended September 30, 2021, the Company recorded reversals of provisions for credit losses on accounts receivable of $2.2 million in SG&A expenses and $4.2 million in marketing and reservation system expenses, after considering improved collection patterns and economic and credit conditions.

4. Investments in Unconsolidated Entities

The Company maintains a portfolio of investments owned through noncontrolling interests in equity method investments with one or more partners. The Company has equity method investments in joint ventures that represent VIEs totaling $40.5 million and $56.9 million on the consolidated balance sheets at September 30, 2021 and December 31, 2020, respectively. These investments relate to the Company's program to offer equity support to qualified franchisees to develop and operate Cambria Hotels in strategic markets. Based on an analysis of who has the power to direct the activities that most significantly impact these entities performance and who has an obligation to absorb losses of these entities or a right to receive benefits from these entities that could potentially be significant to the entity, the Company determined that it is not the primary beneficiary of any of these VIEs. The Company based its qualitative analysis on its review of the design of the entity, its organizational structure including decision-making ability and the relevant development, operating management and financial agreements. Although the Company is not the primary beneficiary of these VIEs, it does exercise significant influence through its equity ownership and as a result the Company's investment in these entities is accounted for under the equity method. For the three months ended September 30, 2021 and 2020, the Company recognized (gains) losses totaling $(2.5) million and $2.3 million, respectively, from these investments that represent VIEs. For the nine months ended September 30, 2021 and 2020, the Company recognized losses totaling $3.0 million and $6.9 million, respectively, from these investments that represent VIEs. The Company's maximum exposure to losses related to its investments in VIEs is limited to its equity investments as well as certain limited payment guaranties described in Note 12 of these financial statements.

During the first quarter of 2021, the Company recognized an other-than-temporary impairment of $4.8 million related to an equity method investment. The Company assessed the estimated fair value of the investment from comparable market transactions of the investment. Based on this analysis, the Company determined that the fair market value declined below the carrying value and the decline is other-than-temporary. As a result, the Company recorded an other-than-temporary impairment from the carrying value to the estimated fair value for the investment. The other-than-temporary impairment is classified as equity in net loss of affiliates in the consolidated statements of income and captured in the Hotel Franchising reportable segment in Note 11.

During the second quarter of 2021, the Company sold its ownership interest in three separate equity method investments. The Company recognized a cumulative gain of $2.6 million on the sales of these investments, which is recorded in equity in net (gain) loss of affiliates. During the third quarter of 2021, a joint venture for which the Company maintains an ownership interest sold its underlying assets. The Company received a distribution and recognized a gain of $4.3 million, which is recorded in equity in net (gain) loss of affiliates.

Table of Contents

5. Debt

Debt consists of the following:

	September 30, 2021	December 31, 2020
	(in thousands)	
$450 million senior unsecured notes due 2031 ("2020 Senior Notes") with an effective interest rate of 3.86%, less a discount and deferred issuance costs of $5.7 million and $6.1 million at September 30, 2021 and December 31, 2020, respectively	**$ 444,318**	$ 443,860
$400 million senior unsecured notes due 2029 ("2019 Senior Notes") with an effective interest rate of 3.88%, less a discount and deferred issuance costs of $4.9 million and $5.4 million at September 30, 2021 and December 31, 2020, respectively	**395,086**	394,635
$400 million senior unsecured notes due 2022 ("2012 Senior Notes") with an effective interest rate of 6.00%, less deferred issuance costs of $0.4 million and $0.7 million at September 30, 2021 and December 31, 2020, respectively	**216,217**	215,827
$600 million senior unsecured revolving credit facility [(1)]	**—**	—
Economic development loans with an effective interest rate of 3.00% at September 30, 2021 and December 31, 2020, respectively	**4,416**	4,416
Total debt	**$ 1,060,037**	$ 1,058,738
Less current portion	**216,217**	—
Long-term debt	**$ 843,820**	$ 1,058,738

(1) During the third quarter of 2020, the Company utilized excess cash on hand to pay down its senior unsecured revolving credit facility balance in full and the facility remains undrawn as of September 30, 2021 and December 31, 2020. As there are no outstanding borrowings at September 30, 2021 or December 31, 2020, deferred issuance costs for the senior unsecured revolving credit facility of $2.4 million and $2.4 million, respectively, are presented in non-current Other assets in the consolidated balance sheets.

In August 2021, the Company executed a one-year extension on the senior unsecured revolving credit facility for $540 million of the $600 million total capacity in exchange for fees of $0.4 million. The extended maturity date is August 20, 2026.

Refer to Note 12 and the Liquidity and Capital Resources header of "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more information.

6. Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss, net of tax, for the nine months ended September 30, 2021 and 2020 are as follows:

(in thousands)	
Balance as of December 31, 2020	**$ (4,646)**
Other comprehensive income (loss) before reclassification	**66**
Net current period other comprehensive income (loss)	**66**
Balance as of September 30, 2021	**$ (4,580)**

(in thousands)	
Balance as of December 31, 2019	$ (4,550)
Other comprehensive income (loss) before reclassification	(237)
Net current period other comprehensive income (loss)	(237)
Balance as of September 30, 2020	$ (4,787)

The other comprehensive income (loss) before reclassification for both the nine months ended September 30, 2021 and 2020 relate to foreign currency items.

7. Fair Value Measurements

The Company estimates the fair value of its financial instruments utilizing a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The following summarizes the three levels of inputs, as well as the assets that the Company values using those levels of inputs on a recurring basis.

Level 1: Quoted prices in active markets for identical assets and liabilities. The Company's Level 1 assets consist of marketable securities (primarily mutual funds) held in the Deferred Compensation Plan.

Level 2: Observable inputs, other than quoted prices in active markets for identical assets and liabilities, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable. The Company's Level 2 assets consist of money market funds held in the Company's Deferred Compensation Plan.

Level 3: Unobservable inputs, supported by little or no market data available, where the reporting entity is required to develop its own assumptions to determine the fair value of the instrument. The Company does not currently have any assets recorded at fair value whose fair value was determined using Level 3 inputs and there were no transfers of Level 3 assets during the nine months ended September 30, 2021.

As of September 30, 2021 and December 31, 2020, the Company had the following assets recorded in the consolidated balance sheets measured at fair value on a recurring basis:

		Fair Value Measurements at Reporting Date Using		
(in thousands)	Total	Level 1	Level 2	Level 3
As of September 30, 2021				
Mutual funds [(1)]	**$ 31,069**	**$ 31,069**	**$ —**	**$ —**
Money market funds [(1)]	**2,519**	**—**	**2,519**	**—**
Total	**$ 33,588**	**$ 31,069**	**$ 2,519**	**$ —**
As of December 31, 2020				
Mutual funds [(1)]	$ 28,520	$ 28,520	$ —	$ —
Money market funds [(1)]	2,836	—	2,836	—

Total	$ 31,356	$ 28,520	$ 2,836	$ —

(1) Included in Investments, employee benefit plans, at fair value and Other current assets on the consolidated balance sheets.

Other financial instruments disclosure

The Company believes that the fair values of its current assets and current liabilities approximate their reported carrying amounts due to the short-term nature of these items. In addition, the interest rates of the Company's senior unsecured revolving credit facility adjust frequently based on current market rates; accordingly, we believe its carrying amount, when amounts are drawn, approximates fair value.

The fair values of the Company's senior unsecured notes are classified as Level 2, as the significant inputs are observable in an active market. Refer to Note 5 for further information on debt. At September 30, 2021 and December 31, 2020, the carrying amounts and fair values are as follows:

	September 30, 2021		December 31, 2020	
(in thousands)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
2020 Senior Notes	**$ 444,318**	**$ 484,574**	$ 443,860	$ 498,290
2019 Senior Notes	**395,086**	**428,544**	394,635	438,104
2012 Senior Notes	**216,217**	**224,688**	215,827	232,381

Fair value estimates are made at a specific point in time, are subjective in nature and involve uncertainties and matters of significant judgment. Settlement of such fair value amounts may not be possible or a prudent management decision.

8. Income Taxes

The effective income tax rates were 23.1% and 39.4% for the three months ended September 30, 2021 and 2020, respectively. The effective income tax rates were 23.0% and (30.8)% for the nine months ended September 30, 2021 and 2020, respectively.

The effective income tax rate for the three months ended September 30, 2021 was higher than the U.S. federal income tax rate of 21.0% primarily due to the impact of state income taxes, partially offset by $0.4 million of excess tax benefits from share-based compensation and $0.7 million of additional federal research and development ("R&D") tax credits. The effective income tax rate for the nine months ended September 30, 2021 was higher than the U.S. federal income tax rate of 21.0% primarily due to the impact of state income taxes, partially offset by $2.4 million of excess tax benefits from share-based compensation and $0.7 million of additional federal R&D tax credits.

On January 1, 2018, the Company adopted ASU 2016-16, Income Taxes (Topic 740) - Intra-Entity Transfers of Assets Other than Inventory ("ASU 2016-16"), which provides guidance on recognition of current income tax consequences for inter-company asset transfers (other than inventory) at the time of transfer. On January 1, 2020, the Company completed a reorganization of its foreign legal entity structure that resulted in a $30.6 million tax benefit. In accordance with ASU 2016-16, the Company recorded the $30.6 million benefit and a corresponding deferred tax asset in the first quarter of 2020. Due to a decrease in the forecasted income of international entities resulting from adverse impacts of the COVID-19 pandemic, the Company recorded a valuation allowance of $5.1 million in the third quarter of 2020 reflecting a change in the anticipated realizability of this deferred tax asset.

The effective income tax rate for the three months ended September 30, 2020 was higher than the U.S. federal income tax rate of 21.0% primarily due to the establishment of a valuation allowance of $5.1 million and state income taxes, partially offset by the impact of foreign operations, a $1.5 million adjustment to our deferred taxes, and $0.7 million of excess tax benefits from share-based compensation. The effective income tax rate for the nine months ended September 30, 2020 was lower than the U.S. federal income tax rate of 21.0% due to the impacts of ASU-2016 and the corresponding valuation allowance, $3.4 million of excess tax benefits from share-based compensation, an adjustment to our deferred taxes, and the impact of foreign operations, partially offset by state income taxes and a change in estimated uncertain tax positions.

9. Share-Based Compensation and Capital Stock

The components of the Company’s pretax share-based compensation activity and associated income tax expense are as follows for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2021**	**2020**	**2021**	**2020**
Stock options	**$ 933**	$ 497	**$ 2,482**	$ 1,478
Restricted stock awards	**2,285**	2,206	**7,126**	6,249
Performance vested restricted stock units	**2,950**	675	**7,760**	(4,836)
Total share-based compensation expense	**$ 6,168**	$ 3,378	**$ 17,368**	$ 2,891
Income tax expense	**$ 1,498**	$ 805	**$ 4,219**	$ 689

A summary of share-based award activity as of and changes during the nine months ended September 30, 2021 are presented below:

	Stock Options			Restricted Stock		Performance Vested Restricted Stock Units	
	Options	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Term**	**Shares**	**Weighted Average Grant Date Fair Value**	**Shares**	**Weighted Average Grant Date Fair Value**
Outstanding at January 1, 2021	**819,610**	**$ 70.48**		**304,439**	**$ 84.48**	**321,752**	**$ 109.25**
Granted	**280,811**	**104.87**		**55,439**	**107.49**	**98,544**	**108.75**
Performance-Based Leveraging [1]	**—**	**—**		**—**	**—**	**75,476**	**107.51**
Exercised/Vested	**(181,458)**	**59.61**		**(106,167)**	**80.80**	**(3,986)**	**81.55**
Expired	**—**	**—**		**—**	**—**	**(72,955)**	**81.55**
Forfeited	**(1,629)**	**104.87**		**(15,401)**	**89.79**	**(3,324)**	**95.98**
Outstanding at September 30, 2021	**917,334**	**$ 83.10**	**5.8 years**	**238,310**	**$ 91.12**	**415,507**	**$ 114.05**
Options exercisable at September 30, 2021	**425,571**	**$ 67.02**	**3.1 years**				

[1] PVRSUs outstanding have been increased by 75,476 units in the nine months ended September 30, 2021 due to the Company exceeding the targeted performance conditions contained in PVRSUs.

Stock Options

The stock options granted by the Company had an exercise price equal to the market price of the Company's common stock on the date of grant. The fair value of the options granted was estimated on the grant date using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2021 Grants
Risk-free interest rate	0.94 %
Expected volatility	29.23 %
Expected life of stock option	5.9 years
Dividend yield [1]	0.82 %
Requisite service period	4 years
Contractual life	10 years
Weighted average fair value of options granted (per option)	$ 28.00

[1] In April 2020, in light of uncertainty resulting from the COVID-19 pandemic, we suspended future, undeclared dividends. On May 7, 2021 and September 9, 2021, the Company's board of directors declared a quarterly cash dividend of $0.225 per share of common stock.

Restricted Stock Awards

The Company grants two types of restricted stock awards: i) shares of restricted stock and ii) restricted stock units ("RSU"). Shares of restricted stock provide the participant a non-forfeitable right to dividends, if declared, and the right to vote as a shareholder while the shares are unvested. RSUs provide the participant declared dividends that are contingent upon vesting of the award. Restricted stock awards generally vest ratably over the service period beginning with the first anniversary of the grant date. The fair value of restricted stock awards is measured by the market price of the Company's common stock on the date of grant. The service period of restricted stock awards granted during the nine months ended September 30, 2021 range from 9 to 48 months.

Performance Vested Restricted Stock Units

The Company grants three types of PVRSU awards: i) PVRSUs with performance conditions based on internal performance conditions, ii) PVRSUs with market conditions based on the Company's total shareholder return ("TSR") relative to a predetermined peer group, and iii) PVRSUs with both performance and market conditions. The vesting of PVRSU awards is contingent upon the Company achieving internal performance and/ or TSR targets over a specified period and the employees' continued employment for a service period. These performance and market conditions affect the number of shares that will ultimately vest.

During the nine months ended September 30, 2021, the Company granted PVRSUs with market conditions, PVRSUs with performance conditions and PVRSUs with performance and market conditions with requisite service periods between 9 months and 60 months with award vesting ranges between 0% and 300% of the initial units granted.

The fair value of PVRSUs with only internal performance conditions is measured by the market price of the Company's common stock on the date of award grant. Compensation expense is recognized ratably over the requisite service period based on the Company's estimate of the achievement of the performance conditions. Management monitors current results and forecasts of the relevant internal performance and, as necessary, adjusts the performance-based leveraging of unvested PVRSUs.

The fair value of PVRSUs with market conditions is estimated using a Monte Carlo simulation method as of the date of award grant. Compensation expense is recognized ratably over the requisite service period, regardless of whether the market conditions are achieved and the awards ultimately vest.

The fair value of PVRSUs with both performance and market conditions is estimated using a Monte Carlo simulation method as of the date of award grant. Compensation expense is recognized ratably over the requisite service period based on the Company's estimate of the achievement of the performance conditions, with subsequent adjustments made for performance-based leveraging of unvested PVRSUs, as necessary.

During the nine months ended September 30, 2020, the Company reduced the leveraging factor for 230,647 unvested PVRSUs to 0%.

Share Repurchases and Redemptions

In April 2020, in light of uncertainty resulting from the COVID-19 pandemic, the Company temporarily suspended activity under the Company's share repurchase program. On May 7, 2021, the Company's board of directors approved resumption of the share repurchase program. Refer to the Liquidity and Capital Resources header of "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more information.

During the three and nine months ended September 30, 2021, there were 34,746 and 36,328 purchases of common stock under the share repurchase program at a total cost of $4.0 million and $4.2 million, respectively. During the three and nine months ended September 30, 2021, the Company redeemed 5,300 and 52,955 shares of common stock at a total cost of $0.7 million and $5.8 million, respectively, from employees to satisfy the option exercise price and statutory minimum tax-withholding requirements related to the exercising of stock options and vesting of performance vested restricted stock units and restricted stock grants. These redemptions were outside the share repurchase program.

10. Earnings Per Share

The Company’s shares of restricted stock contain rights to receive nonforfeitable dividends and thus are participating securities requiring the computation of basic earnings per share (“EPS”) using the two-class method. As the shares of restricted stock are both potential shares of common stock and participating securities, the Company calculates diluted earnings per share by the more dilutive of the treasury stock method or the two-class method. The calculation of EPS for net income available to common shareholders excludes the distribution of dividends and undistributed earnings attributable to participating securities from the numerator. The diluted earnings weighted average shares of common stock outstanding includes stock options, PVRSUs and RSUs.

The computation of basic and diluted earnings per share of common stock is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except per share amounts)	**2021**	**2020**	**2021**	**2020**
Numerator:				
Net income	**$ 116,655**	$ 14,500	**$ 224,874**	$ 67,522
(Income) loss allocated to participating securities	**(420)**	(78)	**(910)**	(378)
Net income (loss) available to common shareholders	**$ 116,235**	$ 14,422	**$ 223,964**	$ 67,144
Denominator:				
Weighted average shares of common stock outstanding – basic	**55,427**	55,106	**55,360**	55,167
Basic earnings per share	**$ 2.10**	$ 0.26	**$ 4.05**	$ 1.22
Numerator:				
Net income	**$ 116,655**	$ 14,500	**$ 224,874**	$ 67,522
(Income) loss allocated to participating securities	**(420)**	(78)	**(910)**	(377)
Net income (loss) available to common shareholders	**$ 116,235**	$ 14,422	**$ 223,964**	$ 67,145
Denominator:				
Weighted average shares of common stock outstanding – basic	**55,427**	55,106	**55,360**	55,167
Dilutive effect of stock options and PVRSUs	**478**	304	**429**	273
Weighted average shares of common stock outstanding – diluted	**55,905**	55,410	**55,789**	55,440
Diluted earnings per share	**$ 2.08**	$ 0.26	**$ 4.01**	$ 1.21

The following securities have been excluded from the calculation of diluted weighted average shares of common stock outstanding as the inclusion of these securities would have an anti-dilutive effect or the performance or market conditions have not been met:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2021**	**2020**	**2021**	**2020**
Stock options	—	155	—	155
PVRSUs	**155**	234	**155**	234

11. Reportable Segment Information

Hotel Franchising: Hotel Franchising includes the Company's hotel franchising operations consisting of its fourteen brands. The fourteen brands are aggregated within this segment considering their similar economic characteristics, types of customers, distribution channels and regulatory business environments. Revenues from the hotel franchising business include royalty fees, initial franchise and relicensing fees, marketing and reservation system fees, procurement services revenue and other hotel franchising related revenue. The Company is obligated under its hotel franchise agreements to provide marketing and reservation services appropriate for the operation of its systems. These services do not represent separate reportable segments as their operations are directly related to the Company's hotel franchising business. The revenues received from franchisees that are used to pay for part of the Company's ongoing operations are included in hotel franchising revenues and are offset by the related expenses paid for marketing and reservation system activities to calculate hotel franchising operating income. Equity in earnings or losses from hotel franchising related joint ventures is allocated to the Company's hotel franchising segment.

The Company evaluates its hotel franchising segment based primarily on the results of the segment without allocating corporate expenses, indirect general and administrative expenses, interest expense, interest income, other gains and losses or income taxes, which are included in the Corporate & Other column. Corporate & Other revenues include owned hotel revenues, rental income related to an office building owned by the Company, and revenues related to the Company's SaaS technology solutions division which provide cloud-based property management software to non-franchised hoteliers.

Intersegment revenue adjustment is from the elimination of Hotel Franchising revenue which include royalty and marketing and reservation system fees charged to our owned hotels against franchise fee expense recognized by our owned hotels in Corporate & Other operating income (loss).

Our President and Chief Executive Officer, who is our chief operating decision maker, does not use assets by operating segment when assessing performance or making operating segment resource allocations and therefore assets by segment are not disclosed below.

The following table presents the financial information for the Company's segments:

	Three Months Ended September 30, 2021				Three Months Ended September 30, 2020			
(in thousands)	Hotel Franchising	Corporate & Other	Intersegment Eliminations	Consolidated	Hotel Franchising	Corporate & Other	Intersegment Eliminations	Consolidated
Revenues	**$ 310,703**	**$ 13,532**	**$ (866)**	**$ 323,369**	$ 204,717	$ 6,368	$ (314)	$ 210,771
Operating income (loss)	**$ 169,516**	**$ (10,410)**	**$ —**	**$ 159,106**	$ 70,940	$ (20,240)	$ —	$ 50,700
Income (loss) before income taxes	**$ 172,338**	**$ (20,749)**	**$ —**	**$ 151,589**	$ 69,208	$ (45,114)	$ —	$ 24,094

	Nine Months Ended September 30, 2021				Nine Months Ended September 30, 2020			
(in thousands)	Hotel Franchising	Corporate & Other	Intersegment Eliminations	Consolidated	Hotel Franchising	Corporate & Other	Intersegment Eliminations	Consolidated
Revenues	**$ 756,013**	**$ 30,504**	**$ (1,857)**	**$ 784,660**	$ 560,082	$ 21,785	$ (1,188)	$ 580,679
Operating income (loss)	**$ 360,269**	**$ (38,141)**	**$ —**	**$ 322,128**	$ 154,770	$ (49,400)	$ —	$ 105,370
Income (loss) before income taxes	**$ 358,274**	**$ (66,121)**	**$ —**	**$ 292,153**	$ 147,598	$ (95,983)	$ —	$ 51,615

12. Commitments and Contingencies

The Company is not a party to any litigation other than litigation in the ordinary course of business. The Company's management and legal counsel do not expect that the ultimate outcome of any of its currently ongoing legal proceedings, individually or collectively, will have a material adverse effect on the Company's financial position, results of operations or cash flows.

Contingencies

The Company entered into various limited payment guaranties with regards to the Company’s VIEs supporting their efforts to develop and own hotels franchised under the Company’s brands. Under these limited payment guaranties, the Company has agreed to guarantee a portion of the outstanding debt until certain conditions are met such as (a) the loan matures, (b) certain debt covenants are achieved, (c) the maximum amount guaranteed by the Company is paid in full or (d) the Company, through its affiliates, ceases to be a member of the VIE. The maximum exposure of principal incidental to these limited payment guaranties is $5.7 million, plus unpaid expenses and accrued unpaid interest. As of September 30, 2021 and December 31, 2020, the Company believed the likelihood of having to perform under the aforementioned limited payment guaranties was remote. In the event of performance, the Company has recourse for one of the transactions in the form of a membership interest pledge as collateral for the guaranty.

Commitments

The Company has the following commitments outstanding at September 30, 2021:

- The Company provides financing in the form of franchise agreement acquisition payments to franchisees for property improvements, hotel development efforts and other purposes. These payments are typically made at commencement of construction or hotel opening, in accordance with agreed upon provisions in individual franchise agreements. At September 30, 2021, the Company had commitments to extend an additional $269.2 million for these purposes provided the conditions of the payment are met by its franchisees.
- To the extent existing unconsolidated joint ventures proceed to the hotel construction phase, the Company is committed to make capital contributions totaling $7.5 million to support their efforts to construct Cambria hotels.
- The Company committed to provide financing in the form of mezzanine loans or credit facilities to franchisees for Choice brand development efforts. At September 30, 2021, the Company has committed to provide an aggregate of approximately $7.7 million, upon certain conditions being met, and none of these amounts have been disbursed.
- The Company's franchise agreements require the payment of franchise fees, which include marketing and reservation system fees. In accordance with terms of our franchise agreements, the Company is obligated to use the marketing and reservation system revenues it collects from the current franchisees comprising its various hotel brands to provide marketing and reservation services appropriate to support the operation of the overall system. To the extent revenues collected exceed expenditures incurred, the Company has a commitment to the franchisee system to make expenditures in future years. Conversely, to the extent expenditures incurred exceed revenues collected, the Company has the contractual enforceable right to assess and collect such amounts.

In the ordinary course of business, the Company enters into numerous agreements that contain standard indemnities whereby the Company indemnifies another party for breaches of representations and warranties. Such indemnifications are granted under various agreements, including those governing (i) purchases or sales of assets or businesses, (ii) leases of real estate, (iii) licensing of trademarks, (iv) access to credit facilities, (v) issuances of debt or equity securities, and (vi) certain operating agreements. The indemnifications issued are for the benefit of the (i) buyers in sale agreements and sellers in purchase agreements, (ii) landlords in lease contracts, (iii) franchisees in licensing agreements, (iv) financial institutions in credit facility arrangements, (v) underwriters in debt or equity security issuances and (vi) parties under certain operating agreements. In addition, these parties are also generally indemnified against any third-party claim resulting from the transaction that is contemplated in the underlying agreement. While some of these indemnities extend only for the duration of the underlying agreement, many survive the expiration of the term of the agreement or extend into perpetuity (unless subject to a legal statute of limitations). There are no specific limitations on the maximum potential amount of future payments that the Company could be required to make under these indemnities, nor is the Company able to develop an estimate of the maximum potential amount of future payments to be made under these indemnifications as the triggering events are not subject to predictability. With respect to certain of the aforementioned indemnities, such as indemnifications of landlords against third-party claims for the use of real estate property leased by the Company, the Company maintains insurance coverage that mitigates potential liability.

13. Transactions with Unconsolidated Joint Ventures

The Company has a management fee arrangement for marketing services with a joint venture partner. For the three months ended September 30, 2021 and 2020, fees earned and payroll costs reimbursed under this arrangement totaled $0.6 million and $0.5 million, respectively. For both the nine months ended September 30, 2021 and 2020, fees earned and payroll costs reimbursed under this arrangement totaled $1.1 million and $0.9 million, respectively.

The Company has entered into franchise agreements with certain of the unconsolidated joint ventures discussed in Note 4. Pursuant to these franchise agreements, for the three months ended September 30, 2021 and 2020, the Company recorded royalty, marketing reservation system, and other fees of approximately $8.0 million and $3.6 million, respectively. For the nine months ended September 30, 2021 and 2020, the Company recorded royalty, marketing reservation system, and other fees of approximately $15.0 million and $10.4 million, respectively. The Company recorded $3.0 million and $2.4 million as a receivable due from these joint ventures as of September 30, 2021 and December 31, 2020, respectively.

14. Assets Held for Sale

Assets held for sale of $6.4 million are recorded within Prepaid expenses and other current assets on the consolidated balance sheets and relate to a commercial office building previously awarded to the Company pursuant to a court settlement. No revision to the carrying value was recorded upon reaching held for sale classification. As a result of the Company's long range planning process, management pursued a sale of the commercial office building. The building was sold in November 2021.

15. Subsequent Events

On October 4, 2021, an office lease with an approximate 10-year term with an unrelated third party commenced. The Company expects to account for this lease as an operating lease and establish a lease liability and right-of-use asset of approximately $34.6 million and $25.3 million, respectively, during the fourth quarter of 2021.

On October 12, 2021, the Company executed a purchase and sale agreement for a parcel of land recorded at $8.7 million within Property and equipment, at cost, net on the consolidated balance sheets. As a result, this parcel of land is deemed to meet held for sale classification in October 2021. Management expects to sell the parcel of land in 2022.

On October 21, 2021, the Company entered into an office lease agreement with an unrelated third-party with an approximately 11 year term. This office lease is expected to commence in 2023.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the consolidated financial condition and results of operations of Choice Hotels International, Inc. and its subsidiaries (together the "Company", "we", "us", or "our") contained in this report. MD&A is provided as a supplement to — and should be read in conjunction with — our consolidated financial statements and the accompanying notes.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic continues to cause disruptions to the global economy and the hospitality industry, including in the United States, where more than 80% of our franchised hotels are located. The COVID-19 pandemic has led governments and other authorities and businesses around the world to impose or recommend measures intended to control its spread, including temporary closures of and occupancy limits on many businesses, travel restrictions, cancellation of events, social distancing measures and other governmental regulations. As a result, the COVID-19 pandemic and its consequences have reduced travel and demand for hotel rooms, which has had a material adverse impact on the hospitality industry and the Company both financially and operationally. The development of effective vaccines and the on-going distribution and vaccination efforts have been significant and positive developments and we believe have contributed to improved operating metrics since the second quarter of 2021. However, the extent to which the COVID-19 pandemic will continue to impact the hospitality industry and our operations remains uncertain and will depend largely on future developments, including the rate and pace of vaccination in the broader population, the severity and duration of resurgences or variants of the virus, and the effectiveness of actions by government authorities and the public to continue to contain the pandemic.

The impacts of COVID-19 on the Company's business were first experienced toward the end of the first quarter of 2020, with domestic occupancy levels ranging between 25.5% and 32.5% in the last ten days of March 2020 resulting in significant decreases in revenue per available room ("RevPAR"). These trends steadily improved, albeit remained significantly impacted, over the remainder of 2020, resulting in full year 2020 domestic RevPAR experiencing a decline of approximately 30.7% from full year 2019. The Company continued to experience significant negative impacts through the first quarter of 2021, although an increase in leisure travel reservations was observed in March 2021 that steadily improved through September 2021. The third quarter 2021 domestic RevPAR experienced an increase of approximately 56.4% and 11.4% relative to third quarter 2020 and third quarter 2019, respectively. As of both September 30, 2021 and September 30, 2020, there were less than 1% of Company's domestic hotel system that had temporarily suspended operations due to governmental restriction or a franchisee's election.

While the ultimate impact and duration of COVID-19 is uncertain and will depend on future developments, which are difficult to predict, the Company believes that it will continue to benefit in the long-term from its primarily franchise-only business model, which has historically provided a relatively stable earnings stream and low capital expenditure requirements. Further, as of September 30, 2021, the Company had approximately $1.0 billion in cash and additional available borrowing capacity through its senior unsecured revolving credit facility.

Based on our business model and information known at this time, the Company believes that cash flows from operations and available financing capacity are adequate to meet the expected future operating, investing and financing needs of the business.

In response to the COVID-19 pandemic, we implemented measures during 2020 to focus on the safety of our customers, employees, franchisees and their staff, while at the same time seeking to mitigate the impact on franchisees' and our Company's financial position and operations. The duration of these measures cannot be predicted at this time. The measures that remain in effect during the third quarter of 2021 include, but are not limited to, the following:

- Preserving fee-deferral programs for domestic and international franchisees.
- Continuing to extend capital-intensive brand deadlines and offer more flexible brand standard options to assist franchisees.
- Advising franchisees on benefits and eligibility requirements of government relief SBA programs and other CARES Act and American Rescue Plan Act of 2021 provisions.
- Maintaining a proactive, ongoing multi-channel franchisee outreach and education program that is actively assisting our franchisees in accessing available capital.

While a recovery in the hospitality industry has commenced, industry projections anticipate that recovery to 2019 operating performance will span multiple years. As the industry recovery continues, the Company believes it will continue to benefit from the faster rebound of leisure demand as a result of its higher share of leisure travel mix relative to competitors. The Company's properties are also well distributed in drive-to markets, which the Company believes will lead in the demand recovery and foreseeable future for the industry.

In April 2020, in light of uncertainty resulting from the COVID-19 pandemic, we determined to suspend future, undeclared dividends and temporarily suspended activity under the Company's share repurchase program. Given our strong liquidity and credit profile, the Company's board of directors declared on May 7, 2021, a quarterly cash dividend of $0.225 per share of common stock and approved resumption of the share repurchase program. Additionally, on September 9, 2021, the Company's board of directors declared a quarterly cash dividend of $0.225 per share of common stock, which was paid in October 2021.

While the Company believes that the long-term fundamentals of the business remain strong, it will continue to adjust business contingency plans as the COVID-19 pandemic evolves. For additional information, see Risk Factors in Part II, Item 1A of our first quarter 2021 Form 10-Q and 2020 Form 10-K.

Overview

We are primarily a hotel franchisor with franchise agreements and owned hotels representing 7,102 hotels open comprising 601,776 rooms and 912 hotels under construction, awaiting conversion or approved for development comprising 78,547 rooms as of September 30, 2021, located in 50 states, the District of Columbia and more than 40 countries and territories outside the United States. Our brand names include Comfort Inn®, Comfort Suites®, Quality®, Clarion®, Clarion Pointe™, Ascend Hotel Collection®, Sleep Inn®, Econo Lodge®, Rodeway Inn®, MainStay Suites®, Suburban Extended Stay Hotel®, WoodSpring Suites®, Everhome Suites®, and Cambria® Hotels (collectively, the "Choice brands").

The Company's primary segment is the hotel franchising business. The Company's domestic operations are conducted through direct franchising relationships and the ownership of five Cambria hotels, while its international franchise operations are conducted through a combination of direct franchising and master franchising or master development (collectively, "master franchising") relationships. Master franchising relationships are governed by master franchising agreements which generally provide the master franchisee with the right to use our brands and sub-license the use of our brands in a specific geographic region, usually for a fee.

Our business strategy is to conduct direct franchising in those international markets where both franchising is an accepted business model and we believe our brands can achieve significant scale. We typically elect to enter into master franchise agreements in those markets where direct franchising is currently not a prevalent or viable business model. When entering into master franchising relationships, we strive to select partners that have professional hotel and asset management capabilities together with the financial capacity to invest in building the Choice brands in their respective markets. Master franchising relationships typically provide lower revenues to the Company as the master franchisees are responsible for managing certain necessary services (such as training, quality assurance, reservations and marketing) to support the franchised hotels in the master franchise area and, therefore, retain a larger percentage of the hotel franchise fees to cover their expenses. In certain circumstances, the Company has and may continue to make equity investments in our master franchisees. As a result of master franchise relationships and international market conditions, our revenues are primarily concentrated in the United States. Therefore, our description of our business is primarily focused on the domestic operations, which encompasses the United States and Caribbean countries and territories.

Our Company generates revenues, income and cash flows primarily from our hotel franchising operations and the initial, relicensing and continuing royalty fees attributable to our franchise agreements. Revenues are also generated from partnerships with qualified vendors and travel partners that provide value-added solutions to our platform of guests hotels, five owned hotels, and other sources. Historically, the hotel industry has been seasonal in nature. For most hotels, demand is ordinarily lower in November through February than during the remainder of the year. Our principal source of revenues is franchise fees based on the gross room revenues or number of rooms of our franchised properties. The Company’s franchise fees, as well as its owned hotels revenues, normally reflect the industry’s seasonality and historically have been lower in the first and fourth quarters than in the second and third quarters. However, as a result of the COVID-19 pandemic, historical trends may not be reliable to predict future performance.

With a primary focus on hotel franchising, we benefit from the economies of scale inherent in the franchising business. The fee and cost structure of our franchising business provides opportunities to improve operating results by increasing the number of franchised hotel rooms and effective royalty rates of our franchise contracts resulting in increased initial and relicensing fee revenue, ongoing royalty fees, and procurement services revenues. In addition, our operating results can also be improved through our company-wide efforts related to improving property-level performance and expanding the number of partnerships with travel-related companies.

The principal factors that affect the Company’s results are: the number and relative mix of hotel rooms in the various hotel lodging price categories; growth in the number of hotel rooms owned and under franchise; occupancy and room rates achieved by the hotels in our system; the effective royalty rate achieved on our franchise agreements; the level of franchise sales and relicensing activity; the number of qualified vendor arrangements and travel-related partnerships and the level of engagement with these partners by our franchisees and guests; and our ability to manage costs. The number of rooms in our hotel system and the occupancy and room rates at those properties significantly affect the Company’s results because our fees are based upon room revenues or the number of rooms at owned and franchised hotels. All of these factors have been and may continue to be disrupted by the COVID-19 pandemic. The key industry standard for measuring hotel-operating performance is RevPAR, which is calculated by multiplying the percentage of occupied rooms by the average daily room rate realized. Our variable overhead costs associated with franchise system growth of our established brands have historically been less than incremental royalty fees generated from new franchises. Accordingly, over the long-term, any continued growth of our franchise business should enable us to realize benefits from the operating leverage in place and improve operating results. The effects of the COVID-19 pandemic on our third quarter 2021 results and anticipated trends are discussed above under the heading "Impact of the COVID-19 Pandemic" and below under the heading "Operations Review".

We are required by our franchise agreements to use the marketing and reservation system fees we collect for system-wide marketing and reservation system activities. These expenditures, which include advertising costs and costs to maintain our central reservations and property management systems, enhance awareness and consumer preference for our brands and deliver guests to our franchisees. Greater awareness and preference promotes long-term growth in business delivery to our franchisees and increases the desirability of our brands to hotel owners and developers, which ultimately increases franchise fees earned by the Company. Due to increased RevPAR growth during the second and third quarters of 2021 and our management of discretionary marketing and reservation system expenditures, we anticipate marketing and reservation revenues to exceed expenses for full year 2021.

Our Company articulates its mission as a commitment to our franchisees’ profitability by providing our franchisees with hotel franchises that strive to generate the highest return on investment of any hotel franchise. We have developed an operating system dedicated to our franchisees’ success that focuses on delivering guests to hotels and reducing hotel operating costs.

As discussed above, the Company has taken and is continuing to take measures to combat the impact of the COVID-19 pandemic on our business. These measures have been and remain a priority in order to mitigate the financial impacts to our franchisees and the Company. We believe these measures support the Company's preparedness and complement the strategic priorities we execute against to create value for our shareholders over the long-term. These key long-term goals are as follows:

Profitable Growth. Our success is dependent on improving the performance of our hotels, increasing our system size by selling additional hotel franchises with a focus on revenue-intense chain scales and markets, improving our effective royalty rate, expanding our qualified vendor programs and travel-related partnerships and maintaining a disciplined cost structure. As noted above, we have introduced several temporary measures designed to assist franchisees during the COVID-19 pandemic. We attempt to improve our revenues and overall profitability by providing a variety of products and services designed to increase business delivery and/or reduce operating and development costs. These products and services include national marketing campaigns, maintaining a guest loyalty program, a central reservation system, property and yield management programs and systems, revenue management services, quality assurance standards, qualified vendor relationships and expanding our partnerships with other travel-related companies that provide services to our franchisees and guests. We believe that healthy brands, which deliver a compelling return on investment, will enable us to sell additional hotel franchises and raise royalty rates. We have multiple brands that meet the needs of many types of guests, and can be developed at various price points and applied to both new and existing hotels. This ensures that we have brands suitable for creating growth in a variety of market conditions. Improving the performance of the hotels in our system, strategically growing the system through additional franchise sales, and improving franchise agreement pricing while maintaining a disciplined cost structure are the keys to profitable growth. As disclosed above, prior to the second and third quarters of 2021, the Company's hotels experienced declines in occupancy and RevPAR resulting from the impacts of the COVID-19 pandemic. The declines impacted the profitability of the Company and the negative impact to the Company could return if a resurgence of the COVID-19 pandemic significantly impacts travel.

Maximizing Financial Returns and Creating Value for Shareholders. Our capital allocation decisions, including capital structure and uses of capital, are intended to maximize our return on invested capital and create value for our shareholders. We believe our historically strong and predictable cash flows create a strong financial position that provides us a competitive advantage. We maintain a capital structure intended to generate high financial returns and use our excess cash flow to provide returns to our shareholders primarily through share repurchases, dividends and investing in growth opportunities. In April 2020, in light of uncertainty resulting from the COVID-19 pandemic, we determined to suspend future, undeclared dividends and temporarily suspended activity under the Company's share repurchase program. Given our strong liquidity and credit profile, the Company's board of directors declared on May 7, 2021, a quarterly cash dividend of $0.225 per share of common stock and approved resumption of the share repurchase program. Additionally, on September 9, 2021, the Company's board of directors declared a quarterly cash dividend of $0.225 per share of common stock.

The Company also allocates capital to financing, investment and guaranty support to incent franchise development for certain brands in strategic markets; hotel ownership; and exploring growth opportunities in business areas that are adjacent or complementary to our core hotel franchising business, which leverage our core competencies and are additive to our franchising business model. The timing and amount of these investments are subject to market and other conditions. In light of uncertainty resulting from the COVID-19 pandemic and to preserve liquidity, we have limited certain discretionary investments until such time as we determine conditions are appropriate to resume such activity.

We believe our growth investments and strategic priorities, when properly implemented, will enhance our profitability, maximize our financial returns and continue to generate value for our shareholders. The ultimate measure of our success will be reflected in the items below.

Results of Operations: Royalty fees, operating income, net income and diluted earnings per share ("EPS") represent key measurements of our financial performance. These measurements are primarily driven by the operations of our hotel franchise system and therefore, our analysis of the Company's operations is primarily focused on the size, performance and potential growth of the hotel franchise system as well as our variable overhead costs.

Our discussion of results excludes the Company’s marketing and reservation system revenues and expenses. The Company's franchise agreements require the payment of marketing and reservation system fees to be used exclusively by the Company for expenses associated with providing franchise services such as central reservation systems, national marketing, and media advertising. The Company is obligated to expend the marketing and reservation system fees it collects from franchisees in accordance with the franchise agreements. Furthermore, franchisees are required to reimburse the Company for any deficits generated by these marketing and reservation system activities. Over time, the Company expects cumulative revenues and expenses to break even and, therefore, no income or loss will be generated from marketing and reservation system activities. As a result, the Company generally excludes the financial impacts of this program from the analysis of its operations.

Due to the seasonal nature of the Company’s hotel franchising business and the multi-year investments required to support franchise operations, in addition to the Company's incremental spend to support franchisees and lower marketing and reservation system fees for certain periods resulting from the impacts of the COVID-19 pandemic, quarterly and/or annual deficits may be generated. During the nine months ended September 30, 2021, marketing and reservation system revenues exceeded expenses by $56.7 million. During the nine months ended September 30, 2020, marketing and reservation system expenses exceeded revenues by $36.4 million.

Refer to MD&A heading "Operations Review" for additional analysis of our results.

Liquidity and Capital Resources: Historically, the Company has generated significant cash flows from operations. Since our business has not historically required significant reinvestment of capital, we typically utilize cash in ways that management believes provide the greatest returns to our shareholders which include share repurchases and dividends. However, in April 2020 in light of uncertainty resulting from the COVID-19 pandemic, we determined to suspend future, undeclared dividends and temporarily suspended activity under the Company's share repurchase program. On May 7, 2021, the Company's board of directors declared a quarterly cash dividend of $0.225 per share of common stock and approved resumption of the share repurchase program. Additionally, on September 9, 2021, the Company's board of directors declared a quarterly cash dividend of $0.225 per share of common stock. We believe the Company’s cash flow from operations and available financing capacity is sufficient to meet the expected future operating, investing and financing needs of the business.

Refer to MD&A heading "Liquidity and Capital Resources" for additional analysis.

Inflation: Inflation has been moderate in recent years and has not had a significant impact on our business. We are monitoring the implications of governmental assistance programs related to COVID-19 on future inflation trends and any resulting impacts on our business.

Non-GAAP Financial Statement Measurements

The Company utilizes certain measures which do not conform to generally accepted accounting principles accepted in the United States ("GAAP") when analyzing and discussing its results with the investment community. This information should not be considered as an alternative to any measure of performance as promulgated under GAAP. The Company’s calculation of these measurements may be different from the calculations used by other companies and therefore, comparability may be limited. We have included a reconciliation of these measures to the comparable GAAP measurement below as well as our reasons for reporting these non-GAAP measures.

Revenues, excluding marketing and reservation system activities: The Company utilizes revenues, excluding marketing and reservation system activities rather than total revenues when analyzing the performance of the business. Marketing and reservation system activities are excluded since the Company is contractually required by its franchise agreements to utilize the fees collected specifically for system-wide marketing and reservation system activities. This non-GAAP measure is a commonly used measure of performance in our industry and facilitates comparisons between the Company and its competitors.

Calculation of Revenues, excluding marketing and reservation system activities

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2021	2020	2021	2020
Total revenues	**$ 323,369**	$ 210,771	**$ 784,660**	$ 580,679
Adjustments:				
Marketing and reservation system revenues	**(156,871)**	(107,141)	**(384,380)**	(297,203)
Revenues, excluding marketing and reservation system activities	**$ 166,498**	$ 103,630	**$ 400,280**	$ 283,476

Operations Review

Comparison of Operating Results for the Three-Month Periods Ended September 30, 2021 and 2020

Summarized financial results for the three months ended September 30, 2021 and 2020 are as follows:

(in thousands)	2021	2020
REVENUES		
Royalty fees	**$ 127,317**	$ 79,666
Initial franchise and relicensing fees	**6,149**	6,071
Procurement services	**13,010**	10,115
Marketing and reservation system	**156,871**	107,141
Owned hotels	**11,377**	4,201
Other	**8,645**	3,577
Total revenues	**323,369**	210,771
OPERATING EXPENSES		
Selling, general and administrative	**35,110**	31,779
Depreciation and amortization	**5,883**	6,382
Marketing and reservation system	**116,216**	113,808
Owned hotels	**7,054**	3,812
Total operating expenses	**164,263**	155,781
Loss on impairment of assets	**—**	(4,290)
Operating income	**159,106**	50,700
OTHER INCOME AND EXPENSES, NET		
Interest expense	**11,638**	12,691
Interest income	**(1,202)**	(1,744)
Loss on extinguishment of debt	**—**	15,958
Other (gains) losses	**407**	(2,030)
Equity in net (gain) loss of affiliates	**(3,326)**	1,731
Total other income and expenses, net	**7,517**	26,606
Income before income taxes	**151,589**	24,094
Income tax expense (benefit)	**34,934**	9,594
Net income	**$ 116,655**	$ 14,500

Results of Operations

The Company recorded income before income taxes of $151.6 million for the three-month period ended September 30, 2021, a $127.5 million increase from the same period of the prior year. The increase in income before income taxes primarily reflects a $108.4 million increase in operating income, recognition of a $16.0 million loss on extinguishment of debt during the three-month period ended September 30, 2020, a $5.0 million increase in equity in net (gain) loss of affiliates, and a $1.1 million decrease in interest expense, partially offset by a $2.4 million decrease in other (gains) losses for the three-month period ended September 30, 2020.

Operating income increased $108.4 million primarily due to a $47.6 million increase in royalty revenues, a $47.4 million increase in the net surplus generated from marketing and reservation system activities, a $5.0 million increase in other revenues, a $3.9 million increase in owned hotels revenues in excess of expense, recognition of $4.3 million in impairment of assets during the three-month period ended September 30, 2020, and a $2.9 million increase in procurement services revenues, partially offset by a $3.3 million increase in SG&A expenses.

The primary reasons for these fluctuations, including the impact of the COVID-19 pandemic, are described in more detail below.

Royalty Fees

Domestic royalty fees for the three months ended September 30, 2021 increased $46.6 million to $123.0 million from $76.4 million for the three months ended September 30, 2020, an increase of 61.0%. The increase in domestic royalties reflect a 56.4% increase in domestic RevPAR. System-wide RevPAR increased due to a 25.6% increase in average daily rates and a 1,280 basis point increase in occupancy. The increase in domestic royalties is also due to a 1.2% increase in the number of domestic franchised hotel rooms and a 8 basis point increase in the effective royalty rate from 4.91% for the three months ended September 30, 2020 to 4.99% for the three months ended September 30, 2021.

A summary of the Company's domestic franchised hotels operating information is as follows:

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020			Change		
	Average Daily Rate	Occupancy	RevPAR	Average Daily Rate	Occupancy	RevPAR	Average Daily Rate	Occupancy	RevPAR
Comfort	**$ 110.72**	**67.8 %**	**$ 75.03**	$ 86.80	53.3 %	$ 46.24	27.6 %	1,450 bps	62.3 %
Sleep	**95.70**	**66.4 %**	**63.55**	78.07	52.4 %	40.89	22.6 %	1,400 bps	55.4 %
Quality	**94.48**	**62.2 %**	**58.76**	76.57	48.7 %	37.25	23.4 %	1,350 bps	57.7 %
Clarion	**101.17**	**51.9 %**	**52.47**	78.58	37.3 %	29.29	28.7 %	1,460 bps	79.1 %
Econo Lodge	**76.51**	**57.1 %**	**43.66**	63.66	47.2 %	30.03	20.2 %	990 bps	45.4 %
Rodeway	**76.21**	**56.9 %**	**43.37**	63.02	50.2 %	31.62	20.9 %	670 bps	37.2 %
WoodSpring	**54.11**	**85.5 %**	**46.26**	46.41	76.5 %	35.50	16.6 %	900 bps	30.3 %
MainStay	**87.15**	**69.1 %**	**60.18**	79.23	62.4 %	49.43	10.0 %	670 bps	21.7 %
Suburban	**59.26**	**73.5 %**	**43.54**	51.46	68.3 %	35.14	15.2 %	520 bps	23.9 %
Cambria Hotels	**148.85**	**62.2 %**	**94.15**	110.04	41.3 %	45.44	35.3 %	2,090 bps	107.2 %
Ascend Hotel Collection	**158.37**	**63.3 %**	**98.50**	126.71	51.1 %	64.80	25.0 %	1,220 bps	52.0 %
Total	**$ 94.59**	**64.9 %**	**$ 61.37**	$ 75.29	52.1 %	$ 39.24	25.6 %	1,280 bps	56.4 %

A summary of domestic hotels and rooms in our franchise system at September 30, 2021 and 2020 by brand is as follows:

	September 30, 2021		September 30, 2020		Variance			
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	%	%
Comfort	**1,665**	**131,066**	1,629	128,213	36	2,853	2.2 %	2.2 %
Sleep	**414**	**29,167**	403	28,534	11	633	2.7 %	2.2 %
Quality	**1,666**	**125,061**	1,688	128,751	(22)	(3,690)	(1.3)%	(2.9)%
Clarion	**183**	**21,917**	179	22,364	4	(447)	2.2 %	(2.0)%
Econo Lodge	**734**	**44,112**	781	47,036	(47)	(2,924)	(6.0)%	(6.2)%
Rodeway	**531**	**30,657**	567	32,251	(36)	(1,594)	(6.3)%	(4.9)%
WoodSpring	**300**	**36,112**	285	34,290	15	1,822	5.3 %	5.3 %
MainStay	**97**	**6,780**	74	4,673	23	2,107	31.1 %	45.1 %
Suburban	**70**	**6,366**	62	6,236	8	130	12.9 %	2.1 %
Cambria Hotels	**58**	**8,060**	53	7,599	5	461	9.4 %	6.1 %
Ascend Hotel Collection	**224**	**28,175**	213	22,192	11	5,983	5.2 %	27.0 %
Total Domestic Franchises	**5,942**	**467,473**	5,934	462,139	8	5,334	0.1 %	1.2 %

As of both September 30, 2021 and September 30, 2020, there were less than 1% of the Company's domestic hotel system that had temporarily suspended operations due to governmental restriction or a franchisee’s election. These temporarily suspended hotels are included in the summary table above of domestic hotels in our franchise system.

International royalty fees for the three months ended September 30, 2021 increased $1.0 million to $4.3 million compared to the three months ended September 30, 2020 as a result of improvements in RevPAR performance, despite reductions of the international franchise system size by 32 hotels (from 1,192 as of September 30, 2020 to 1,160 as of September 30, 2021) and

13 rooms (from 134,316 as of September 30, 2020 to 134,303 as of September 30, 2021). As of September 30, 2021 and September 30, 2020, approximately 2% and 3%, respectively, of the Company's international branded hotels temporarily suspended operations due to governmental restriction or a franchisee's election.

We expect the uncertainty surrounding the potential duration of the pandemic, including an increase in the prevalence in variants, as well as the rate and pace of vaccinations around the world, to continue to impact the number of domestic and international hotels that temporarily suspend operations.

Initial Franchise and Relicensing Fees

Initial franchise fees are fees paid to the Company when a franchisee executes a franchise agreement; relicensing fees include fees charged to new owners of a franchised property whenever an ownership change occurs and the property remains in the franchise system, as well as fees required to renew existing franchise agreements.

During the third quarter of 2021, the Company awarded 89 domestic franchise agreements representing 7,640 rooms compared to 81 franchising agreements representing 6,573 rooms for the third quarter of 2020. Domestic franchise agreements awarded for new construction hotels totaled 32 contracts representing 3,178 rooms during the three months ended September 30, 2021, compared to 21 contracts representing 1,805 rooms for the three months ended September 30, 2020. Conversion hotel awarded franchise agreements totaled 57 representing 4,462 rooms for the three months ended September 30, 2021, compared to 60 agreements representing 4,768 rooms for the three months ended September 30, 2020.

The Company awarded 56 domestic relicensing contracts during the three months ended September 30, 2021, compared to 54 executed during the three months ended September 30, 2020. The Company awarded 6 domestic renewal agreements during the three months ended September 30, 2021, compared to 5 awarded during the three months ended September 30, 2020.

Initial franchise and relicensing fees are generally collected at the time the franchise agreement is awarded. However, the recognition of revenue is deferred until the hotel is open or the franchise agreement is terminated. Upon hotel opening, revenue is recognized ratably as services are provided over the enforceable period of the franchise license agreement. Upon the termination of a franchise agreement, previously deferred initial and relicensing fees are recognized immediately in the period the agreement is terminated. Initial franchise and relicensing fee revenue remained unchanged at $6.1 million for both the three months ended September 30, 2020 and September 30, 2021.

At September 30, 2021, the Company had 859 franchised hotels with 71,346 rooms under construction, awaiting conversion or approved for development in its domestic system as compared to 945 hotels and 76,155 rooms at September 30, 2020. The number of new construction franchised hotels in the Company's domestic pipeline decreased from 710 at September 30, 2020 to 652 at September 30, 2021. New construction hotels typically average 18 to 36 months to open after the franchise agreement is executed. The number of conversion franchised hotels in the Company's domestic pipeline decreased from 235 hotels at September 30, 2020 to 207 hotels at September 30, 2021. Conversion hotels typically open three to six months after the execution of a franchise agreement. The Company had an additional 53 franchised hotels with 7,201 rooms under construction, awaiting conversion or approved for development in its international system as of September 30, 2021, compared to 48 hotels and 5,592 rooms at September 30, 2020. Fluctuations in the Company's pipeline are primarily due to the timing of hotel openings and the timing of signing new franchise agreements. While the Company's hotel pipeline provides a strong platform for growth, a hotel in the pipeline does not always result in an open and operating hotel due to various factors. Given the uncertainty as to the potential duration of the COVID-19 pandemic and its severity, there is additional uncertainty with respect to the opening of new construction hotels, which are reliant on, amongst other things, access to liquidity, availability of construction labor and materials, and local governmental approvals and entitlements, all of which may be constrained during the duration of the pandemic.

Procurement Services: Revenues increased $2.9 million from $10.1 million for the three months ended September 30, 2020 to $13.0 million for the three months ended September 30, 2021. These results reflect an increase in fees generated from travel-related partnerships and qualified vendors resulting from increased occupancy during the third quarter of 2021 at our franchised hotels.

Other Revenues: Other revenues increased $5.0 million from $3.6 million for the three months ended September 30, 2020 to $8.6 million for the three months ended September 30, 2021 driven by an increase in non-compliance fees and other franchising revenues.

Selling, General and Administrative Expenses: The cost to operate the business is reflected in SG&A on the consolidated statements of income. SG&A expenses were $35.1 million for the three months ended September 30, 2021, an increase of $3.3 million from the three months ended September 30, 2020.

SG&A expenses for the three months ended September 30, 2021 and 2020 include approximately $0.3 million and $0.4 million, respectively, related to the Company's alternative growth initiatives and expenses related to operations and maintenance of an office building.

Excluding SG&A expenses for alternative growth initiatives and office building operations, SG&A for the three months ended September 30, 2021 increased $3.4 million to $34.8 million in the current quarter primarily due to cost increases for general corporate purposes and lifting of certain cost mitigation measures related to the COVID-19 pandemic, partially offset by a decrease in provision for credit losses in accounts receivable recorded in accordance with Topic 326 and a decrease in the Company's deferred compensation liabilities based on decreases in the underlying investments.

Loss on Impairment of Assets: In the third quarter of 2020, the Company recognized $4.3 million charge related to the long-lived assets of a commercial office-building owned by the Company.

Loss on Extinguishment of Debt: During the third quarter of 2020, the Company recorded a loss on the extinguishment of debt of $16.0 million related to the Tender Offer and early pay off of the Term Loan.

Other (Gains) Losses: The Company recorded other net losses of $0.4 million for the three months ended September 30, 2021, compared to other net gains of $2.0 million for the three months ended September 30, 2020. The current period losses relate to decreases in the Company's deferred compensation assets based on decreases in the underlying investments and foreign currency transaction losses.

Equity in Net (Gain) Loss of Affiliates: The Company recorded net gains of $3.3 million from its unconsolidated joint ventures for the three months ended September 30, 2021, compared to net losses of $1.7 million for the three months ended September 30, 2020. These investments relate to the Company's program to offer equity support to qualified franchisees to develop and operate Cambria Hotels in strategic markets. The fluctuation is primarily attributable to the distribution from an unconsolidated joint venture which sold its underlying assets resulting in a gain of $4.3 million in the third quarter of 2021, in addition to increased losses for the three months ended September 30, 2020 of operating joint venture hotels as impacted by the COVID-19 pandemic. Refer to Note 4 to our consolidated financial statements for additional information. We anticipate the results recognized from these investments will continue to be impacted by the uncertainty of the COVID-19 pandemic for the remainder of 2021.

Income Tax Expense (Benefit): The effective income tax rates were 23.1% and 39.4% for the three months ended September 30, 2021 and 2020, respectively.

The effective income tax rate for the three months ended September 30, 2021 was higher than the U.S. federal income tax rate of 21.0% primarily due to the impact of state income taxes, partially offset by $0.4 million of excess tax benefits from share-based compensation and $0.7 million of additional federal R&D tax credits.

On January 1, 2018, the Company adopted ASU 2016-16, which provides guidance on recognition of current income tax consequences for intercompany asset transfers (other than inventory) at the time of transfer. On January 1, 2020, the Company completed a reorganization of its foreign legal entity structure that resulted in a $30.6 million tax benefit. In accordance with ASU 2016-16, the Company recorded the $30.6 million benefit and a corresponding deferred tax asset in the first quarter of 2020. Due to a decrease in the forecasted income of international entities resulting from adverse impacts of the COVID-19 pandemic, the Company recorded a valuation allowance of $5.1 million in the third quarter of 2020 reflecting a change in the anticipated realizability of this deferred tax asset.

The effective income tax rate for the three months ended September 30, 2020 was higher than the U.S. federal income tax rate of 21.0% primarily due to the establishment of a valuation allowance of $5.1 million and state income taxes, partially offset by the impact of foreign operations, a $1.5 million adjustment to our deferred taxes, and $0.7 million excess tax benefits from share-based compensation.

Operations Review

Comparison of Operating Results for the Nine-Month Periods Ended September 30, 2021 and 2020

Summarized financial results for the nine months ended September 30, 2021 and 2020 are as follows:

(In thousands)	2021	2020
REVENUES		
Royalty fees	**$ 299,606**	$ 200,157
Initial franchise and relicensing fees	**18,904**	20,031
Procurement services	**36,293**	34,609
Marketing and reservation system	**384,380**	297,203
Owned hotels	**24,724**	15,731
Other	**20,753**	12,948
Total revenues	**784,660**	580,679
OPERATING EXPENSES		
Selling, general and administrative	**99,847**	104,098
Depreciation and amortization	**18,477**	19,309
Marketing and reservation system	**327,674**	333,564
Owned hotels	**16,534**	12,822
Total operating expenses	**462,532**	469,793
Loss on impairment of assets	**—**	(5,516)
Operating income	**322,128**	105,370
OTHER INCOME AND EXPENSES, NET		
Interest expense	**35,106**	37,153
Interest income	**(3,717)**	(6,277)
Loss on extinguishment of debt	**—**	16,565
Other (gains) losses	**(2,906)**	(858)
Equity in net (gain) loss of affiliates	**1,492**	7,172
Total other income and expenses, net	**29,975**	53,755
Income before income taxes	**292,153**	51,615
Income tax expense (benefit)	**67,279**	(15,907)
Net income	**$ 224,874**	$ 67,522

Results of Operations

The Company recorded income before income taxes of $292.2 million for the nine-month period ended September 30, 2021, a $240.6 million increase from the same period of the prior year. The increase in income before income taxes reflects a $216.8 million increase in operating income, recognition of a $16.6 million loss on extinguishment of debt during the nine-month period ended September 30, 2020, a $5.7 million increase in equity of net (gains) losses of affiliates, a $2.0 million increase in other (gains) losses, and a $2.1 million decrease in interest expense, partially offset by $2.6 million decrease in interest income.

Operating income increased $216.8 million primarily due to a $99.4 million increase in royalty revenues, a $93.1 million increase in the net surplus generated from marketing and reservation system activities, expenses, a $7.9 million increase in other revenues, a $5.3 million increase in owned hotels revenues in excess of expenses, a $4.3 million decrease in SG&A expenses, recognition of $5.5 million in impairment of assets during the nine-month period ended September 30, 2020, a $1.7 million increase in procurement services revenues, partially offset by a $1.1 million decrease in initial franchise and relicensing fees.

The primary reasons for these fluctuations are described in more detail below.

Royalty Fees

Domestic royalty fees for the nine months ended September 30, 2021 increased $97.7 million to $288.8 million, a 51% increase compared to the nine months ended September 30, 2020. The increase in royalties reflect a 46.0% increase in RevPAR. System-wide RevPAR increased due to a 1,230 basis point increase in occupancy rates and a 15.1% increase in average daily rates. The increase in domestic royalties is also due to a 1.2% increase in the number of domestic franchised hotel rooms and a 7 basis point increase in the effective royalty rate from 4.93% for the nine months ended September 30, 2020 to 5.00% for the nine months ended September 30, 2021.

A summary of the Company's domestic franchised hotels operating information is as follows:

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020			Change		
	Average Daily Rate	Occupancy	RevPAR	Average Daily Rate	Occupancy	RevPAR	Average Daily Rate	Occupancy	RevPAR
Comfort	**$ 97.74**	**60.8 %**	**$ 59.40**	$ 85.22	46.2 %	$ 39.40	14.7 %	1,460 bps	50.8 %
Sleep	**86.39**	**59.6 %**	**51.45**	77.36	46.5 %	35.98	11.7 %	1,310 bps	43.0 %
Quality	**83.94**	**54.5 %**	**45.77**	73.23	42.1 %	30.81	14.6 %	1,240 bps	48.6 %
Clarion	**87.91**	**43.8 %**	**38.52**	74.79	33.3 %	24.93	17.5 %	1,050 bps	54.5 %
Econo Lodge	**68.35**	**51.1 %**	**34.94**	59.66	41.2 %	24.56	14.6 %	990 bps	42.3 %
Rodeway	**68.20**	**52.0 %**	**35.48**	60.15	44.0 %	26.45	13.4 %	800 bps	34.1 %
WoodSpring	**50.83**	**81.9 %**	**41.63**	46.14	72.0 %	33.24	10.2 %	990 bps	25.2 %
MainStay	**79.84**	**62.8 %**	**50.15**	77.38	55.1 %	42.61	3.2 %	770 bps	17.7 %
Suburban	**54.49**	**71.5 %**	**38.95**	52.14	63.7 %	33.21	4.5 %	780 bps	17.3 %
Cambria Hotels	**129.62**	**55.1 %**	**71.44**	116.78	38.3 %	44.78	11.0 %	1,680 bps	59.5 %
Ascend Hotel Collection	**138.31**	**54.4 %**	**75.28**	120.21	43.9 %	52.72	15.1 %	1,050 bps	42.8 %
Total	**$ 83.70**	**58.2 %**	**$ 48.71**	$ 72.71	45.9 %	$ 33.36	15.1 %	1,230 bps	46.0 %

International royalty fees for the nine months ended September 30, 2021 increased $1.6 million to $10.9 million compared to the nine months ended September 30, 2020 as a result of increases in RevPAR performance, despite reductions of the international franchise system decreasing by 32 hotels (from 1,192 as of September 30, 2020 to 1,160 as of September 30, 2021) and 13 rooms (from 134,316 as of September 30, 2020 to 134,303 as of September 30, 2021). As of September 30, 2021 and September 30, 2020, approximately 2% and 3%, respectively, of the Company's international branded hotels temporarily suspended operations due to governmental restriction or a franchisee’s election.

We expect the uncertainty surrounding the pandemic, including an increase in the prevalence in variants as well as the rate and pace of vaccinations around the world, to continue to impact the number of domestic and international hotels that temporarily suspend operations.

Initial Franchise and Relicensing Fees

Initial franchise fees are fees paid to the Company when a franchisee executes a franchise agreement; relicensing fees include fees charged to new owners of a franchised property whenever an ownership change occurs and the property remains in the franchise system, as well as fees required to renew existing franchise agreements.

During the nine months ended September 30, 2021, the Company awarded 289 domestic franchise agreements representing 28,308 rooms compared to 232 franchise agreements representing 18,022 rooms for the nine months ended September 30, 2020. Domestic franchise agreements awarded for new construction hotels totaled 88 representing 8,471 rooms during the nine months ended September 30, 2021 compared to 71 franchise agreements representing 6,102 rooms for the nine months ended September 30, 2020. Conversion hotel awarded franchise agreements totaled 201 representing 19,837 rooms for the nine months ended September 30, 2021 compared to 161 franchise agreements representing 11,920 rooms for the nine months ended September 30, 2020.

The Company awarded 236 domestic relicensing contracts during the nine months ended September 30, 2021, compared to 164 executed during the nine months ended September 30, 2020. The Company awarded 19 domestic renewal agreements during both the nine months ended September 30, 2021, compared to 25 executed during nine months ended September 30, 2020.

Initial franchise and relicensing fees are generally collected at the time the franchise agreement is awarded. However, the recognition of revenue is deferred until the hotel is open or the franchise agreement is terminated. Upon hotel opening, revenue is recognized ratably as services are provided over the enforceable period of the franchise license agreement. Upon the termination of a franchise agreement, previously deferred initial and relicensing fees are recognized immediately in the period the agreement is terminated. Initial franchise and relicensing fee revenue decreased $1.1 million from $20.0 million during the nine months ended September 30, 2020 to $18.9 million during nine months ended September 30, 2021.

Given the uncertainty as to the duration of the COVID-19 pandemic and virus variants, there is additional uncertainty with respect to the opening of new construction hotels, which are reliant on, amongst other things, access to liquidity, availability of construction labor and materials, and local governmental approvals and entitlements, all of which may be constrained during the duration of the pandemic.

Procurement Services: Revenues increased $1.7 million from $34.6 million for the nine months ended September 30, 2020 to $36.3 million for the nine months ended September 30, 2021. These results reflect a increase in fees generated from travel-related partnerships and qualified vendors resulting from increased occupancy during the second and third quarters of 2021 at our franchised hotels.

Other Revenues: Other revenues increased $7.9 million from $12.9 million for the nine months ended September 30, 2020 to $20.8 million in the same period of the current year driven by an increase in non-compliance fees and other franchising revenues.

Selling, General and Administrative Expenses: The cost to operate the business is reflected in SG&A on the consolidated statements of income. SG&A expenses were $99.8 million for the nine months ended September 30, 2021, a decrease of $4.3 million from the nine months ended September 30, 2020.

SG&A expenses for the nine months ended September 30, 2021 and 2020 include approximately $1.1 million and $1.9 million, respectively, related to the Company's alternative growth initiatives and expenses related to operations and maintenance of an office building.

Excluding SG&A for alternative growth initiatives and office building operations, SG&A for the nine months ended September 30, 2021 decreased $3.4 million to $98.8 million in the current year primarily due to a decrease in provision for credit losses in accounts and notes receivable recorded in accordance with Topic 326, partially offset by cost increases for general corporate purposes and lifting of certain cost mitigation measures related to the COVID-19 pandemic, and an increase in the Company's deferred compensation liabilities based on increases in the underlying investments.

Loss on impairment of assets: For the nine months ended September 30, 2020, the Company recognized a $1.2 million charge related to a prospective self-development project the Company is no longer pursuing and a $4.3 million impairment charge related to the long-lived assets of a commercial office building owned by the Company.

Interest Expense: The Company recorded interest expense of $35.1 million for the nine months ended September 30, 2021, a decrease of $2.1 million from the nine months ended September 30, 2020. The decrease in interest expense is a result of lower effective interest rates on outstanding borrowings in the comparative periods.

Interest Income: The Company recorded interest income of $3.7 million for the nine months ended September 30, 2021, a decrease of $2.6 million from the nine months ended September 30, 2020. The decrease in interest income is primarily a result of an increase in loans on non-accrual of interest status.

Loss on Extinguishment of Debt: During the first quarter of 2020, the Company recorded a loss on the extinguishment of debt of $0.6 million related to the early pay off of a construction loan in the amount of $33.1 million, inclusive of accrued and unpaid interest.

During the third quarter of 2020, the Company recorded a loss on the extinguishment of debt of $16.0 million related to the Tender Offer and early pay off of the Term Loan.

Other (Gains) Losses: The Company recorded other net gains of $2.9 million for the nine months ended September 30, 2021, compared to other net gains of $0.9 million, an increase of $2.0 million for the nine months ended September 30, 2020. The gains relate to increases in the Company's deferred compensation assets based on increases in the underlying investments and foreign currency transaction gains.

Equity in Net (Gain) Loss of Affiliates: The Company recorded net losses of $1.5 million from its unconsolidated joint ventures for the nine months ended September 30, 2021 compared to net losses of $7.2 million for the nine months ended September 30, 2020. These investments relate to the Company's program to offer equity support to qualified franchisees to develop and operate Cambria Hotels in strategic markets. The fluctuation is primarily attributable to the sales of ownership interests of and distributions from unconsolidated joint ventures resulting in gains of $2.6 million in the second quarter of 2021 and $4.3 million in the third quarter of 2021, in addition to increased losses for the three months ended September 30, 2020 of operating joint venture hotels as impacted by the COVID-19 pandemic, partially offset by an other-than-temporary impairment of an unconsolidated joint venture resulting in a loss of $4.8 million in the first quarter of 2021. We anticipate the results recognized from these investments will continue to be impacted by the COVID-19 pandemic for the remainder of 2021.

Income Tax Expense (Benefit): The effective income tax rates were 23.0% and (30.8)% for the nine months ended September 30, 2021 and 2020, respectively.

The effective income tax rate for the nine months ended September 30, 2021 was higher than the U.S. federal income tax rate of 21.0% primarily due to the impact of state income taxes, partially offset by $2.4 million of excess tax benefits from share-based compensation and $0.7 million of additional federal R&D tax credits.

On January 1, 2018, the Company adopted ASU 2016-16, which provides guidance on recognition of current income tax consequences for intercompany asset transfers (other than inventory) at the time of transfer. On January 1, 2020, the Company completed a reorganization of its foreign legal entity structure that resulted in a $30.6 million tax benefit. In accordance with ASU 2016-16, the Company recorded the $30.6 million benefit and a corresponding deferred tax asset in the first quarter of 2020. Due to a decrease in the forecasted income of international entities resulting from adverse impacts of the COVID-19 pandemic, the Company recorded a valuation allowance of $5.1 million in the third quarter of 2020 reflecting a change in the anticipated realizability of this deferred tax asset.

The effective income tax rate for the nine months ended September 30, 2020 was lower than the U.S. federal income tax rate of 21.0% primarily due to the impacts ASU 2016-16 and the corresponding valuation allowance, $3.4 million of excess tax benefits from share-based compensation, an adjustment to our deferred taxes, and the impact of foreign operations, partially offset by state income taxes and a change in estimated uncertain tax positions.

Liquidity and Capital Resources

In response to the COVID-19 pandemic, we have taken steps to adjust the Company’s cost structure and increase its financial flexibility and liquidity. At September 30, 2021, the Company had approximately $1.0 billion in cash and available borrowing capacity through its senior unsecured revolving credit facility.

Based on our business model and information known at this time, the Company believes that cash flows from operations and available financing capacity are adequate to meet the expected future operating, investing and financing needs of the business. As of September 30, 2021, we were in compliance with the financial covenants of our credit agreements and expect to remain in such compliance.

In April 2020, in light of uncertainty resulting from the COVID-19 pandemic, we determined to suspend future, undeclared dividends and temporarily suspended activity under the Company's share repurchase program. Given our strong liquidity and credit profile, the Company's board of directors declared on May 7, 2021, a quarterly cash dividend of $0.225 per share of common stock and approved resumption of the share repurchase program. Additionally, on September 9, 2021, the Company's board of directors declared a quarterly cash dividend of $0.225 per share of common stock. As a result, the company expects to pay dividends totaling approximately $25 million during 2021.

Operating Activities

During the nine months ended September 30, 2021 and 2020, net cash provided by operating activities totaled $245.2 million and $69.7 million, respectively. Operating cash flows increased $175.5 million primarily due to an increase in operating income, excluding certain non-cash charges, and timing of working capital items.

In conjunction with brand and development programs, we make certain payments to franchisees as an incentive to enter into new franchise agreements or perform designated improvements to properties under existing franchise agreements ("franchise agreement acquisition costs"). If the franchisee remains in the franchise system in good standing over the term specified in the incentive agreement, the Company forgives the incentive ratably. If the franchisee exits our franchise system or is not operating their franchise in accordance with our quality or credit standards, the franchisee must repay the unamortized incentive payment plus interest. During the nine months ended September 30, 2021 and 2020, the Company's net advances for these purposes totaled $28.5 million and $17.0 million, respectively. The timing and amount of these cash flows are dependent on various factors including the implementation of various development and brand incentive programs, the level of franchise sales and the ability of our franchisees to complete construction or convert their hotels to one of the Company’s brands. At September 30, 2021, the Company had commitments to extend an additional $269.2 million for these purposes provided the conditions of the payment are met by its franchisees.

The Company’s franchise agreements require the payment of marketing and reservation system fees. In accordance with the terms of our franchise agreements, the Company is obligated to use these marketing and reservation system fees to provide marketing and reservation services. To the extent revenues collected exceed expenditures incurred, the Company has a commitment to the franchisee system to make expenditures in future years. Conversely, to the extent expenditures incurred exceed revenues collected, the Company has the contractual enforceable right to recover such advances in future periods through additional fee assessments or reduced spending. During the nine months ended September 30, 2021, marketing and reservation system revenues exceeded expenses by $56.7 million. During the nine months ended September 30, 2020, marketing and reservation system expenses exceeded revenues by $36.4 million.

Investing Activities

Cash utilized for investing activities totaled $52.6 million and $30.5 million for the nine months ended September 30, 2021 and 2020, respectively. The increase in cash utilized for investing activities for the nine months ended September 30, 2021 primarily reflects the following items:

During the nine months ended September 30, 2021 and 2020, capital expenditures in property and equipment totaled $46.1 million and $32.2 million, respectively. The increase in capital expenditures primarily reflects costs incurred to support the continued growth of the Cambria Hotels brand, including acquisition of a land parcel in the third quarter of 2021 to develop into a Cambria hotel.

During the nine months ended September 30, 2020, the Company realized proceeds of $9.2 million from the sale of state tax credits earned from rehabilitation improvements made to a historic building converted to a Cambria Hotel. The proceeds were applied to lower the basis of the owned hotel property and equipment.

The Company maintains equity method investments related to the Company's program to offer equity support to qualified franchisees to develop and operate Cambria Hotels in strategic markets. During the nine months ended September 30, 2021 and 2020, the Company invested $2.2 million and $4.6 million, respectively, to support these efforts. In addition, during the nine months ended September 30, 2021 and 2020, the Company received distributions and sales proceeds from these joint ventures totaling $3.4 million and $15.6 million, respectively. To the extent existing unconsolidated joint ventures proceed to the hotel construction phase, the Company is committed to make additional capital contributions totaling $7.5 million to support these efforts.

The Company provides financing to franchisees for hotel development efforts and other purposes in the form of notes receivable. These loans bear interest and are expected to be repaid in accordance with the terms of the loan arrangements. During the nine months ended September 30, 2021, the Company advanced no amounts and received repayments totaling $0.1 million for these purposes, and acquired a senior note with collateral in an underlying operating hotel for $17.9 million. For the nine months ended September 30, 2020, the Company advanced and received repayments totaling $9.8 million and $5.1 million for these purposes, respectively. At September 30, 2021, the Company had commitments to extend an additional $7.7 million for these purposes provided certain conditions are met by its franchisees.

From time to time, our board of directors authorizes specific transactions and general programs which permit us to provide financing, investment and guaranties, and similar credit support to qualified franchisees, as well as to acquire, develop, and resell real estate and hotels to incent franchise development. Since 2006, we have engaged in these financial support activities to encourage acceleration of the growth of our Cambria Hotels brand, primarily in strategic markets and locations. Over the next three to five years, we expect to continue to deploy capital in support of this brand and expect our outstanding investment not to exceed $725 million over that time period. The deployment and annual pace of future financial support activities will depend upon market and other conditions including among others, our franchise sales results, the environment for new construction hotel development and the hotel lending environment, and our assessment of the ongoing impacts of the COVID-19 pandemic. Our support of the Cambria Hotels brand’s growth is expected to be primarily in the form of franchise agreement acquisition costs, joint venture investments, hotel ownership and development, senior mortgage loans, development loans, mezzanine lending, and through the operation of a land-banking program. With respect to our lending, hotel ownership and joint venture investments, we generally expect to recycle these loans and investments within a five year period. At September 30, 2021, the Company had approximately $561.9 million outstanding pursuant to these financial support activities.

Financing Activities

Financing cash flows relate primarily to the Company's borrowings, open market treasury stock repurchases, acquisition of shares in connection with the exercise or vesting of equity awards, and dividends.

Debt

Restated Senior Unsecured Credit Facility

On August 20, 2018, the Company entered into the Restated Senior Unsecured Credit Agreement (the "Restated Credit Agreement"), which amended and restated the Company's existing senior unsecured revolving credit agreement, dated July 21, 2015.

The Restated Credit Agreement provides for a $600 million unsecured credit facility with a maturity date of August 20, 2023, subject to optional one-year extensions that can be requested by the Company prior to each of the first, second and third anniversaries of the closing date of the Restated Credit Agreement. The effectiveness of such extensions are subject to the consent of the lenders under the Restated Credit Agreement and certain customary conditions. The Restated Credit Agreement also provides that up to $35 million of borrowings under the Restated Credit Agreement may be used for alternative currency loans and up to $25 million of borrowings under the Restated Credit Agreement may be used for swingline loans. The Company may from time to time designate one or more wholly owned subsidiaries of the Company as additional borrowers under the Restated Credit Agreement, subject to the consent of the lenders and certain customary conditions.

On July 2, 2019, the Company exercised a one-year extension option on the Restated Credit Agreement, extending the maturity date from August 20, 2023 to August 20, 2024. On August 12, 2020, the Company exercised an additional one-year extension on the Restated Credit Agreement for $525 million of the $600 million total capacity in exchange for a fee of $0.3 million. The extended maturity date is August 20, 2025. On August 11, 2021, the Company executed a one-year extension on the senior unsecured credit facility for $540 million of the $600 million total capacity in exchange for fees of $0.4 million. The extended maturity date is August 20, 2026.

There are no subsidiary guarantors under the Restated Credit Agreement. However, if certain subsidiaries of the Company subsequently incur certain recourse debt or become obligors in respect of certain recourse debt of the Company or certain of its other subsidiaries, the Restated Credit Agreement requires such obligated subsidiaries to guarantee the Company's obligations under the Restated Credit Agreement (the "springing guarantee"). In the event that these subsidiary guarantees are triggered under the Restated Credit Agreement, the same subsidiary guarantees would be required under the Company's $400 million senior unsecured notes due 2022 and certain hedging and bank product arrangements, if any, with lenders that are parties to the Restated Credit Agreement.

On February 18, 2020, the Company entered into the First Amendment to the Amended and Restated Senior Unsecured Credit Agreement (the "Amendment") among the Company, Deutsche Bank AG New York Branch, as administrative agent and the lenders party thereto. The Amendment, among other things, removes the springing guarantee and other provisions and references in the Restated Credit Agreement related to the potential existence of subsidiary guarantors.

The Company may at any time prior to the final maturity date increase the amount of the Restated Credit Agreement or add one or more term loan facilities under the Restated Credit Agreement by up to an additional $250 million in the aggregate to the extent that any one or more lenders commit to being a lender for the additional amount of such term loan facility and certain other customary conditions are met.

The Restated Credit Agreement provides that the Company may elect to have borrowings bear interest at a rate equal to (i) LIBOR plus a margin ranging from 90 to 150 basis points or (ii) a base rate plus a margin ranging from 0 to 50 basis points, in each case, with the margin determined according to the Company's senior unsecured long-term debt rating or under circumstances as set forth in the Restated Credit Agreement, the Company's total leverage ratio in the event that such total leverage ratio is less than 2.5 to 1.0. On August 11, 2021, we amended the Restated Credit Agreement to provide customary language for the replacement of LIBOR with an alternative benchmark rate if it is publicly announced that the administrator of LIBOR has ceased or will cease to provide LIBOR, or if it is publicly announced by the applicable regulatory supervisor that LIBOR is no longer representative.

The Restated Credit Agreement requires the Company to pay a fee on the total commitments, calculated on the basis of the actual daily amount of the commitments (regardless of usage) times a percentage per annum ranging from 0.075% to 0.25% (depending on the Company's senior unsecured long-term debt rating or under circumstances as set forth in the Restated Credit Agreement, the Company's total leverage ratio in the event that such total leverage ratio is less than 2.5 to 1.0).

The Restated Credit Agreement requires that the Company and its restricted subsidiaries comply with various covenants, including with respect to restrictions on liens, incurring indebtedness, making investments and effecting mergers and/or asset sales. With respect to dividends, the Company may not declare or make any payment if there is an existing event of default or if the payment would create an event of default.

The Restated Credit Agreement imposes financial maintenance covenants requiring the Company to maintain a consolidated fixed charge coverage ratio of at least 2.5 to 1.0 and a total leverage ratio of not more than 4.5 to 1.0 or, on up to two nonconsecutive occasions, 5.5 to 1.0 for up to three consecutive quarters following a material acquisition commencing with the fiscal quarter in which such material acquisition occurred. The Company maintains an Investment Grade Rating, as defined in the Restated Credit Agreement, and therefore is not currently required to comply with the consolidated fixed charge coverage ratio covenant.

The Restated Credit Agreement includes customary events of default, the occurrence of which, following any applicable cure period, would permit the lenders to, among other things, declare the principal, accrued interest and other obligations of the Company under the Restated Credit Agreement to be immediately due and payable. At September 30, 2021, the Company maintained a total leverage ratio of 2.65x and was in compliance with all financial covenants under the Restated Credit Agreement. The senior unsecured revolving credit facility was paid down in full during the third quarter of 2020 and remains undrawn as of December 31, 2020 and September 30, 2021.

Debt issuance costs incurred in connection with the Restated Credit Agreement are amortized on a straight-line basis, which is not materially different than the effective interest method, through maturity. Amortization of these costs is included in interest expense in the consolidated statements of income.

The proceeds of the Restated Credit Agreement are generally expected to be used for general corporate purposes, including working capital, debt repayment, stock repurchases, dividends, investments and other permitted uses set forth in the Restated Credit Agreement.

Senior Unsecured Notes Due 2031

On July 23, 2020, the Company issued unsecured senior notes in the principal amount of $450 million (the "2020 Senior Notes") bearing a coupon of 3.70%. The 2020 Senior Notes will mature on January 15, 2031, with interest to be paid semi-annually on January 15th and July 15th beginning January 15, 2021. The Company used the net proceeds of the 2020 Senior Notes, after deducting underwriting discounts, commissions and other offering expenses, to repay in full the $250 million Term Loan entered in April 2020 and fund the purchase price of the 2012 Senior Notes tendered and accepted by the Company for purchase pursuant to the tender offer (discussed below under "Senior Unsecured Notes due 2022").

Interest on the 2020 Senior Notes is payable semi-annually on January 15th and July 15th of each year, commencing on January 15, 2021. The interest rate payable on the 2020 Senior Notes will be subject to adjustment based on certain rating events. The Company may redeem the 2020 Senior Notes, in whole or in part, at its option at the applicable redemption price before maturity. If the Company redeems the 2020 Senior Notes prior to October 15, 2030 (three months prior to the maturity date) (the “2020 Notes Par Call Date”), the redemption price will be equal to the greater of (a) 100% of the principal amount of the notes to be redeemed, or (b) the sum of the present values of the remaining scheduled principal and interest payments that would have been payable had the 2020 Senior Notes matured on the 2020 Notes Par Call Date, discounted to the redemption date on a semi-annual basis at the applicable Treasury Rate plus 50 basis points, plus accrued and unpaid interest. If the Company redeems the 2020 Senior Notes on or after the 2020 Notes Par Call Date, the redemption price will equal 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest. Additionally, at the option of the holders of the 2020 Senior Notes, the Company may be required to repurchase all or a portion of the 2020 Senior Notes of a holder upon the occurrence of a change of control event at a price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, to the date of repurchase.

Senior Unsecured Notes Due 2029

On November 27, 2019, the Company issued unsecured senior notes in the principal amount of $400 million (the "2019 Senior Notes") at a discount of $2.4 million, bearing a coupon of 3.70% with an effective rate of 3.88%. The 2019 Senior Notes will mature on December 1, 2029, with interest to be paid semi-annually on December 1st and June 1st. The Company used the net proceeds of this offering, after deducting underwriting discounts, commissions and other offering expenses, to repay previously outstanding senior notes in the principal amount of $250 million due August 28, 2020, and for working capital and other general corporate purposes.

The Company may redeem the 2019 Senior Notes, in whole or in part, at its option at the applicable redemption price before maturity. If the Company redeems the 2019 Senior Notes prior to September 1, 2029 (three months prior to the maturity date) (the “2019 Notes Par Call Date”), the redemption price will be equal to the greater of (a) 100% of the principal amount of the notes to be redeemed, or (b) the sum of the present values of the remaining scheduled principal and interest payments that would have been payable had the 2019 Senior Notes matured on the 2019 Notes Par Call Date, discounted to the redemption date on a semi-annual basis at the applicable Treasury Rate plus 30 basis points, plus accrued and unpaid interest. If the Company redeems the 2019 Senior Notes on or after the 2019 Notes Par Call Date, the redemption price will equal 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest. Additionally, at the option of the holders of the

2019 Senior Notes, the Company may be required to repurchase all or a portion of the 2019 Senior Notes of a holder upon the occurrence of a change of control event at a price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, to the date of repurchase.

Senior Unsecured Notes Due 2022

On June 27, 2012, the Company issued unsecured senior notes with a principal amount of $400 million (the "2012 Senior Notes") at par, bearing a coupon of 5.75% with an effective rate of 6.00%. The 2012 Senior Notes will mature on July 1, 2022, with interest to be paid semi-annually on January 1st and July 1st. The Company utilized the net proceeds of this offering, after deducting underwriting discounts, commissions and other offering expenses, together with borrowings under the Company's senior unsecured senior credit facility, to pay a special cash dividend to stockholders totaling approximately $600.7 million paid on August 23, 2012.

The Company may redeem the 2012 Senior Notes at its option at a redemption price equal to the greater of (a) 100% of the principal amount of the notes to be redeemed and (b) the sum of the present values of the remaining scheduled principal and interest payments from the redemption date to the date of maturity discounted to the redemption date on a semi-annual basis at the Treasury Rate, plus 50 basis points. Additionally, at the option of the holders of the 2012 Senior Notes, the Company may be required to repurchase all or a portion of the 2012 Senior Notes of a holder upon the occurrence of a change of control event at a price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, to the date of repurchase.

On July 9, 2020, the Company commenced the tender offer (the "Tender Offer") to purchase up to $160.0 million aggregate principal amount of the Company’s 2012 Senior Notes subject to increase or decrease. The Tender Offer was subsequently upsized to $180.0 million aggregate principal amount of the 2012 Notes. On July 23, 2020, the Company amended the Tender Offer by increasing the aggregate principal maximum tender amount from $180.0 million to $183.4 million. The Tender Offer settled on July 24, 2020 for $197.8 million, including an early tender premium, settlement fees, and accrued interest paid. In combination with the early pay off of the Term Loan, the Company recorded a loss on extinguishment of debt of $16.0 million in the third quarter of 2020.

Construction Loan

In March 2018, the Company entered into a construction loan agreement for the rehabilitation and development of a former office building into a Cambria Hotel through a consolidating joint venture with a commercial lender, which was secured by the building. The construction was completed and the hotel opened in the third quarter of 2019, resulting in the satisfaction of the completion guaranty. On March 5, 2020, the Company paid off the construction loan in the amount of $33.1 million inclusive of accrued and unpaid interest and recorded a loss on extinguishment of debt of $0.6 million.

Fixed Rate Collateralized Mortgage

On December 30, 2014, a court awarded the Company title to an office building as settlement for a portion of an outstanding loan receivable for which the building was pledged as collateral. In conjunction with the court award, the Company also assumed the $9.5 million mortgage on the property with a fixed interest rate of 7.26%. The mortgage was collateralized by the office building, required monthly payments of principal and interest and matured in December 2020 with a balloon payment due of $6.9 million. Payments were made in each quarter of 2020, with the balloon payment of $6.9 million made at maturity in December 2020.

Economic Development Loans

The Company entered into economic development agreements with various governmental entities in conjunction with the relocation of its corporate headquarters in April 2013. In accordance with these agreements, the governmental entities agreed to advance approximately $4.4 million to the Company to offset a portion of the corporate headquarters relocation and tenant improvement costs in consideration of the employment of permanent, full-time employees within the jurisdictions. At September 30, 2021, the Company had been fully advanced the amounts due pursuant to these agreements. These advances bear interest at a rate of 3% per annum.

Repayment of the advances is contingent upon the Company achieving certain performance conditions. Performance conditions are measured annually on December 31st and primarily relate to maintaining certain levels of employment within the various jurisdictions. If the Company fails to meet an annual performance condition, the Company may be required to repay a portion or all of the advances including accrued interest by April 30th following the measurement date. Any outstanding advances at the expiration of the Company's ten year corporate headquarters lease in 2023 will be forgiven in full. The advances will be included in long-term debt in the Company's consolidated balance sheets until the Company determines that the future performance conditions will be met over the entire term of the agreement and the Company will not be required to repay the advances. The Company accrues interest on the portion of the advances that it expects to repay. The Company was in compliance with all applicable current performance conditions as of September 30, 2021.

Dividends

In April 2020, in light of uncertainty resulting from the COVID-19 pandemic, we determined to suspend future, undeclared dividends. Given our strong liquidity and credit profile, on May 7, 2021, the Company's board of directors declared, a quarterly cash dividend of $0.225 per share of common stock and approved resumption of the share repurchase program. Additionally, on September 9, 2021, the Company's board of directors declared a quarterly cash dividend of $0.225 per share of common stock. The declaration of future dividends is subject to the discretion of our board of directors.

During the nine months ended September 30, 2021, the Company paid $12.5 million in cash dividends.

The Company may not declare or make any payment if there is an existing event of default under the Restated Credit Agreement or if the payment would create an event of default.

Share Repurchases

In 1998, we instituted a share repurchase program which has generated substantial value for our shareholders.

In April 2020 in light of uncertainty resulting from the COVID-19 pandemic, we temporarily suspended activity under our share repurchase program. On May 7, 2021, the Company's board of directors approved resumption of the share repurchase program.

During the nine months ended September 30, 2021, the Company repurchased 36,328 shares of its common stock under the share repurchase program at a total cost of $4.2 million. Through September 30, 2021, the Company repurchased 51.7 million shares of its common stock (including 33.0 million prior to the two-for-one stock split effected in October 2005) under the program at a total cost of $1.5 billion. Considering the effect of the two-for-one stock split, the Company has repurchased 84.7 million shares at an average price of $17.60 per share. As of September 30, 2021, the Company had 3.4 million shares remaining under the current share repurchase authorization.

During the nine months ended September 30, 2021, the Company redeemed 52,955 shares of common stock at a total cost of $5.8 million from employees to satisfy the option exercise price and statutory minimum tax-withholding requirements related to the exercising of stock options and vesting of performance vested restricted stock units and restricted stock grants. These redemptions were outside the share repurchase program.

Off Balance Sheet Arrangements

The Company has entered into various limited payment guaranties with regards to the Company's VIEs supporting their efforts to develop and own hotels franchised under the Company's brands. Under these limited payment guaranties, the Company has agreed to guarantee a portion of the outstanding debt until certain conditions are met, such as (a) the loan matures, (b) certain debt covenants are achieved, (c) the maximum amount guaranteed by the Company is paid in full or (d) the Company, through its affiliates, ceases to be a member of the VIE. The maximum exposure of principal incidental to these limited payment guaranties is $5.7 million, plus unpaid expenses and accrued unpaid interest. As of September 30, 2021 and December 31, 2020, the Company believed the likelihood of having to perform under the aforementioned limited payment guaranties was remote. In the event of performance, the Company has recourse for one of the transactions in the form of a membership interest pledge as collateral for our guaranty. Refer to Note 12 for further discussion of our off-balance sheet arrangements.

Critical Accounting Policies

Our accounting policies comply with principles generally accepted in the United States. Discussion of these policies is included in Note 1 to our consolidated financial statements as of and for the year ended December 31, 2020 included in our Annual Report on Form 10-K, which incorporates description of our critical accounting policies that involve subjective and complex judgments that could potentially affect reported results.

New Accounting Standards

Refer to the "Recently Adopted Accounting Standards" section of Note 1 for information related to our adoption of new accounting standards in 2021.

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this quarterly report constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as "expect," "estimate," "believe," "anticipate," "should," "will," "forecast," "plan," "project," "assume" or similar words of futurity. All statements other than historical facts are forward-looking statements. These forward-looking statements are based on management's current beliefs, assumptions and expectations regarding future events, which in turn are based on information currently available to management. Such statements may relate to projections of the Company's revenue, expenses, Adjusted EBITDA, earnings, debt levels, ability to repay outstanding indebtedness, payment of dividends, repurchases of common stock, and other financial and operational measures, including occupancy and open hotels, RevPAR, our ability to benefit from any rebound in travel demand, our liquidity, and the impact of COVID-19 and economic conditions on our future operations, among other matters. We caution you not to place undue reliance on any such forward-looking statements. Forward-looking statements do not guarantee future performance and involve known and unknown risks, uncertainties and other factors.

Several factors could cause our actual results, performance or achievements to differ materially from those expressed in or contemplated by the forward-looking statements. Such risks include, but are not limited to, continuation or resurgence of the COVID-19 pandemic, including with respect to new strains or variants; the rate and pace of vaccination in the broader population; changes in consumer demand and confidence, including the impact of the COVID-19 pandemic on unemployment rates, consumer discretionary spending and the demand for travel, transient and group business; the impact of COVID-19 on the global hospitality industry, particularly but not exclusively in the U.S. travel market; the success of our mitigation efforts in response to the COVID-19 pandemic; the performance of our brands and categories in any recovery from the COVID-19 pandemic disruption; the timing and amount of future dividends and share repurchases; changes to general, domestic and foreign economic conditions, including access to liquidity and capital as a result of COVID-19; future domestic or global outbreaks of epidemics, pandemics or contagious diseases or fear of such outbreaks; changes in law and regulation applicable to the travel, lodging or franchising industries; foreign currency fluctuations; impairments or declines in the value of our assets; operating risks common in the travel, lodging or franchising industries; changes to the desirability of our brands as viewed by hotel operators and customers; changes to the terms or termination of our contracts with franchisees and our relationships with our franchisees; our ability to keep pace with improvements in technology utilized for marketing and reservations systems and other operating systems; the commercial acceptance of our SaaS technology solutions division's products and services; our ability to grow our franchise system; exposure to risks related to our hotel development, financing, and ownership activities; exposures to risks associated with our investments in new businesses; fluctuations in the supply and demand for hotel rooms; our ability to realize anticipated benefits from acquired businesses; impairments or losses relating to acquired businesses; the level of acceptance of alternative growth strategies we may implement; cyber security and data breach risks; ownership and financing activities; hotel closures or financial difficulties of our franchisees; operating risks associated with our international operations, especially in areas currently most affected by COVID-19; the outcome of litigation; and our ability to effectively manage our indebtedness and secure our indebtedness. These and other risk factors are discussed in detail in the Risk Factors section of this quarterly report on Form 10-Q and of the Company's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 26, 2021. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk from changes in interest rates and the impact of fluctuations in foreign currencies on the Company's foreign investments and operations. The Company manages its exposure to these market risks through the monitoring of its available financing alternatives including, in certain circumstances, the use of derivative financial instruments. We are also subject to risk from changes in debt and equity prices from our non-qualified retirement savings plan investments in debt securities and common stock, which have a carrying value of $33.6 million and $31.4 million at September 30, 2021 and December 31, 2020, respectively, which we account for as trading securities. The Company will continue to monitor the exposure in these areas and make the appropriate adjustments as market conditions dictate.

At September 30, 2021, the Company had no variable interest rate debt instruments outstanding or derivative financial instruments.

ITEM 4. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

The Company has a disclosure review committee whose membership includes the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), among others. The disclosure review committee's procedures are considered by the CEO and CFO in performing their evaluations of the Company's disclosure controls and procedures and in assessing the accuracy and completeness of the Company's disclosures.

Our management, with the participation of our CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), as of the end of the period covered by this quarterly report as required by Rules 13a-15(b) or 15d-15(b) under the Exchange Act. Our management, including our CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met.

An evaluation was performed under the supervision and with the participation of the Company's CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of September 30, 2021.

Changes in internal control over financial reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the quarter ended September 30, 2021, that materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is not a party to any material litigation other than litigation in the ordinary course of business. The Company's management and legal counsel do not expect that the ultimate outcome of any of its currently ongoing legal proceedings, individually or collectively, will have a material adverse effect on the Company's financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those disclosed in Part I, "Item 1A. Risk Factors" to our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed on February 26, 2021. In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table sets forth purchases and redemptions of Choice Hotels International, Inc. common stock made by the Company during the nine months ended September 30, 2021:

Month Ending	Total Number of Shares Purchased or Redeemed	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [(1), (2)]	Maximum Number of Shares that may yet be Purchased Under the Plans or Programs, End of Period [(3)]
January 31, 2021	—	$ —	—	3,399,216
February 28, 2021	11,039	109.21	—	3,399,216
March 31, 2021	35,460	108.29	—	3,399,216
April 30, 2021	222	113.88	—	3,399,216
May 31, 2021	934	113.80	—	3,399,216
June 30, 2021	1,582	117.04	1,582	3,397,634
July 31, 2021	13,083	116.18	13,083	3,384,551
August 31, 2021	23,272	115.55	21,663	3,362,888
September 30, 2021	3,691	126.77	—	3,362,888
Total	89,283	$ 115.09	36,328	3,362,888

(1) The Company's share repurchase program was initially approved by the board of directors on June 25, 1998. The program has no fixed dollar amount or expiration date. The share repurchase program is discretionary in nature and the board of directors has the ability to modify, suspend, or discontinue the program at any time. Since the program's inception through September 30, 2021, the Company has repurchased 51.7 million shares (including 33.0 million prior to the two-for-one stock split effected in October 2005) of common stock at a total cost of $1.5 billion. Considering the effect of the two-for-one stock split, the Company has repurchased 84.7 million shares at an average price of $17.60 a share.

(2) During the nine months ended September 30, 2021, the Company redeemed 52,955 shares of common stock from employees to satisfy the option price and minimum tax-withholding requirements related to the exercising of options and vesting of restricted stock and performance vested restricted stock unit grants. These redemptions were not part of the board repurchase authorization.

(3) In April 2020, in light of uncertainty resulting from the COVID-19 pandemic, we temporarily suspended activity under the Company's share repurchase program. On May 7, 2021, the Company's board of directors approved resumption of the share repurchase program.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

Table of Contents

ITEM 6. EXHIBITS

Exhibit Number and Description

Exhibit Number	Description
3.01(a)	Restated Certificate of Incorporation of Choice Hotels Franchising, Inc. (renamed Choice Hotels International, Inc.)
3.02(b)	Amendment to the Restated Certificate of Incorporation of Choice Hotels International, Inc.
3.03(c)	Amended and Restated Bylaws of Choice Hotels International, Inc.
3.04(d)	Amendment to the Amended and Restated Bylaws of Choice Hotels International, Inc.
3.05(e)	Amendment to the Amended and Restated Bylaws of Choice Hotels International, Inc.
10.01*	Second Amendment to the Amended and Restated Senior Unsecured Credit Agreement, dated August 11, 2021 among Choice Hotels International, Inc., Deutsche Bank AG New York Branch, as administrative agent, and the lenders party thereto
10.02*	Extension Confirmation Letter dated as of August 11, 2021 in connection with Senior Unsecured Credit Agreement
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a)
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a)
32*	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

(a) Incorporated by reference to the identical document filed as an exhibit to Choice Hotels International, Inc.'s Registration Statement on Form S-4, filed August 31, 1998 (Reg. No. 333-62543).
(b) Incorporated by reference to the identical document filed as an exhibit to Choice Hotels International, Inc.'s Current Report on Form 8-K filed May 1, 2013.
(c) Incorporated by reference to the identical document filed as an exhibit to Choice Hotels International, Inc.'s Current Report on Form 8-K filed February 16, 2010.
(d) Incorporated by reference to the identical document filed as an exhibit to Choice Hotels International, Inc.'s Current Report on Form 8-K filed April 29, 2015.
(e) Incorporated by reference to the identical document filed as an exhibit to Choice Hotels International, Inc.'s Current Report on Form 8-K filed on January 13, 2016.

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.

CHOICE HOTELS INTERNATIONAL, INC.

November 4, 2021 By: /s/ PATRICK S. PACIOUS

Patrick S. Pacious
President & Chief Executive Officer

CHOICE HOTELS INTERNATIONAL, INC.

November 4, 2021 By: /s/ DOMINIC E. DRAGISICH

Dominic E. Dragisich
Chief Financial Officer

Execution Version

SECOND AMENDMENT TO THE
AMENDED AND RESTATED SENIOR UNSECURED CREDIT AGREEMENT

Dated as of August 11, 2021

This **SECOND AMENDMENT TO THE AMENDED AND RESTATED SENIOR UNSECURED CREDIT AGREEMENT** (this "Amendment") among CHOICE HOTELS INTERNATIONAL, INC., a Delaware corporation (the "Borrower"), DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent for the Lenders (the "Administrative Agent"), and the Lenders.

PRELIMINARY STATEMENTS:

(1) The Borrower, the Lenders, the Administrative Agent and the other financial institutions party thereto entered into that certain Amended and Restated Senior Unsecured Credit Agreement dated as of August 20, 2018 (as amended by that certain First Amendment to the Amended and Restated Senior Unsecured Credit Agreement dated as of February 18, 2020, the "Existing Credit Agreement"). Capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Existing Credit Agreement, as amended hereby;

(2) The Borrower, the Administrative Agent and the Lenders wish to amend the Existing Credit Agreement to address certain changes to the terms thereof as set forth below; and

(3) Subject to the terms and conditions herein, the Borrower, the Administrative Agent and the Lenders have agreed pursuant to Section 9.08 of the Existing Credit Agreement to amend the Existing Credit Agreement on the terms and subject to the conditions hereinafter set forth.

SECTION 1. Amendments.

(a) The Existing Credit Agreement (other than the schedules and exhibits attached thereto) is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~**stricken text**~~) and to add the underlined text (indicated textually in the same manner as the following example: **underlined text**) as set forth in the document attached as Annex A (as so amended, the "Amended Credit Agreement").

(b) Notwithstanding anything to the contrary in the Existing Credit Agreement or the other Loan Documents, any Lender that failed to grant the Maturity Date extension requested in the Borrower's extension request letter dated as of July 6, 2020 (to extend each Lender's Maturity Date from August 20, 2024 to August 20, 2025) (the "Second Extension") but that subsequently agrees to grant the Maturity Date extension requested in the Borrower's extension request letter dated July 6, 2021 (to extend each Lender's Maturity Date from August 20, 2025 to August 20, 2026) (the "Third Extension") shall be deemed to have timely granted both the Second Extension and the Third Extension, each of which shall be deemed to be effective as of the Amendment Effective Date and such Lender shall be entitled to receive, solely for the account of such Lender, payment from the Borrower of an extension fee in consideration of the Second Extension at the same rate and in the same amount as the extension fee payable under the Credit Agreement to such Lender in consideration of the Third Extension.

SECTION 2. Conditions of Effectiveness. This Amendment shall become effective as of the first date (the "Amendment Effective Date") on which, and only if, the Administrative Agent shall have received, in form and substance satisfactory to the Administrative Agent, counterparts of this Amendment executed by the Borrower and each of the Lenders.

SECTION 3. Reference to and Effect on the Existing Credit Agreement, the Notes and the Loan Documents.

(a) This Amendment is a Loan Document. On and after the effectiveness of this Amendment, each reference in the Existing Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Existing Credit Agreement, and each reference in the Notes and each of the other Loan Documents to "the Loan Agreement", "thereunder", "thereof" or words of like import referring to the Existing Credit Agreement, shall mean and be a reference to the Existing Credit Agreement, as amended and modified by this Amendment.

(b) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(c) This Amendment shall not extinguish the obligations for the payment of money outstanding under the Existing Credit Agreement. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Credit Agreement, which shall remain in full force and effect, except to any extent modified hereby or as provided in the exhibits hereto. Nothing implied in this Amendment or in any other document contemplated hereby shall be construed as a release or other discharge of the Borrower from the Loan Documents.

SECTION 4. Ratification. The Existing Credit Agreement (as amended by this Amendment) and each of the other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Except as expressly provided in this Amendment, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under the Existing Credit Agreement or any of the other Loan Documents, nor constitute a waiver of any provision of the Existing Credit Agreement or any of the other Loan Documents. The Borrower confirms the accuracy of the matters specified in paragraphs (b) and (c) of Section 4.01 of the Existing Credit Agreement on and as of the Amendment Effective Date with same effect as if such date were the date of a Credit Event.

SECTION 5. Costs and Expenses. The Borrower agrees to pay all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable and documented out-of-pocket fees and expenses of counsel for the Administrative Agent) in accordance with the terms of Section 9.05(a) of the Existing Credit Agreement.

SECTION 6. Execution in Counterparts; Electronic Signatures. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or as an attachment to an electronic mail message in .pdf, .jpeg, .TIFF or similar electronic format shall be effective as delivery of a manually executed counterpart of this Amendment for all purposes. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment and any other Loan Document to be signed in connection with this Amendment, the other Loan Documents and the transactions contemplated hereby and thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; *provided* that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent. Each of the parties represents and warrants to the other parties that it has the corporate capacity and authority to execute this Amendment through electronic means and there are no restrictions for doing so in that party's constitutive documents.

SECTION 7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

[*Balance of page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

BORROWER:
CHOICE HOTELS INTERNATIONAL, INC., a Delaware corporation

By: /s/ Scott Oaksmith Name: Scott Oaksmith
Title: Senior Vice President, Finance

ADMINISTRATIVE AGENT:

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent

By: /s/ David Goodman Name: David Goodman Title: Managing Director

By: /s/ Richard Meth Name: Richard Meth Title: Managing Director

LENDER:

DEUTSCHE BANK AG NEW YORK BRANCH,
as Lender

By: /s/ Ming K Chu Name: Ming K Chu Title: Director

By: /s/ Marko Lukin Name: Marko Lukin Title: Vice President

LENDER:

JPMORGAN CHASE BANK, N.A.,
as Lender

By: /s/ Chiara Carter________________________
Name: Chiara Carter
Title: Managing Director

SWINGLINE LENDER AND LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Swingline Lender and Lender

By: /s/ Enn Lloyd___________________________
Name: Enn Lloyd
Title: SVP

LENDER:

BANK OF AMERICA, N.A.,
as Lender

By: /s/ Kyle Pearson________________________
Name: Kyle Pearson
Title: Vice President

LENDER:

BARCLAYS BANK PLC,
as Lender

By: /s/ Robert Komminsk______________________
Name: Robert Komminsk
Title: Director

LENDER:

TRUIST BANK,
as Lender

By: /s/ J. Matthew Rowand_____________________
Name: J. Matthew Rowand
Title: Director

LENDER:

US BANK NATIONAL ASSOCIATION,
as Lender

By: /s/ Steven L. Sawyer___________________________
Name: Steven L. Sawyer
Title: Senior Vice President

LENDER:

FIFTH THIRD BANK, NATIONAL ASSOCIATION
as Lender

By: /s/ Brook Miller__________________

Name: Brook Miller
Title: Executive Director

LENDER:

CAPITAL ONE, NATIONAL ASSOCIATION,
as Lender

By: /s/ Benjamin Lucas______________________
Name: Benjamin Lucas
Title: Vice President

LENDER:

GOLDMAN SACHS BANK USA,
as Lender

By: /s/ Kevin Raisch________________________
Name: Kevin Raisch
Title: Authorized Signatory

LENDER:

PNC BANK, NATIONAL ASSOCIATION,
as Lender

By: /s/ David Notaro_____________________
Name: David Notaro
Title: Senior Vice President

ANNEX A

[Attached.]

CONFORMED COPY REFLECTING
FIRST AMENDMENT DATED AS OF FEBRUARY 18, 2020 AND
SECOND AMENDMENT DATED AS OF AUGUST 11, 2021

AMENDED AND RESTATED SENIOR UNSECURED CREDIT AGREEMENT
dated as of August 20, 2018
among
CHOICE HOTELS INTERNATIONAL, INC., as Borrower,
THE DESIGNATED BORROWERS FROM TIME TO TIME PARTY HERETO,
THE LENDERS NAMED HEREIN,
and
DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent,
with
DEUTSCHE BANK SECURITIES INC.,

JPMORGAN CHASE BANK, N.A.
and
WELLS FARGO SECURITIES, LLC as Joint Lead Arrangers and Joint Book-Running Managers
and
JPMORGAN CHASE BANK, N.A.
and
WELLS FARGO SECURITIES, LLC as Co-Syndication Agents
and
WELLS FARGO BANK, NATIONAL ASSOCIATION, as Swingline Lender,
and
BANK OF AMERICA, N.A.,
BARCLAYS BANK PLC
and SUNTRUST BANK, as Co-Documentation Agents

TABLE OF CONTENTS

Exhibits

AMENDED AND RESTATED SENIOR UNSECURED CREDIT AGREEMENT

This AMENDED AND RESTATED SENIOR UNSECURED CREDIT AGREEMENT, dated as of August 20, 2018, is made by and among CHOICE HOTELS INTERNATIONAL, INC., a Delaware corporation (the "***Company***"), the Lenders referred to herein, DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent for the Lenders (in such capacity, together with any successor administrative agent appointed in accordance with Section 8.09, the "***Administrative Agent***"), DEUTSCHE BANK SECURITIES INC., JPMORGAN CHASE BANK, N.A. and WELLS FARGO SECURITIES, LLC, as joint lead arrangers (the "***Arrangers***"), DEUTSCHE BANK SECURITIES INC., JPMORGAN CHASE BANK, N.A. and WELLS FARGO SECURITIES, LLC, as joint book-running managers (the "***Book-Running Managers***"), JPMORGAN CHASE BANK, N.A. and WELLS FARGO SECURITIES, LLC, as co-syndication agents (the "***Co-Syndication Agents***") and WELLS FARGO BANK, NATIONAL ASSOCIATION, as swingline lender (in such capacity, together with any successor swingline lender appointed in accordance with Section 9.04(l), the "***Swingline Lender***"), and BANK OF AMERICA, N.A., BARCLAYS BANK PLC and SUNTRUST BANK, as co-documentation agents.

Capitalized terms used in this Agreement shall have the meanings assigned to such terms in Section 1.01.

W I T N E S S E T H:

WHEREAS, pursuant to that certain Senior Unsecured Credit Agreement, dated as of July 21, 2015, by and among the Company, the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent (as amended, the "***Existing Agreement***"), the lenders party thereto agreed to extend certain commitments to make certain extensions of credit available to the Borrower; and

WHEREAS, the Company, the Administrative Agent and the lenders party to the Existing Agreement desire to amend and restate the Existing Agreement to make certain amendments thereto;

NOW, THEREFORE, in consideration of the recitals set forth above, which by this reference are incorporated into the operative provisions of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions hereof and on the basis of the representations and warranties herein set forth, the parties hereby agree to amend and restate the Existing Agreement to read in its entirety as herein set forth.

A. DEFINITIONS

a. Defined Terms

. As used in this Agreement, the following terms shall have the meanings specified below:

"***ABR Loan***" shall mean any Loan denominated in Dollars bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"***Accepting Lenders***" shall have the meaning assigned to such term in Section 2.28(a).

"***Additional Commitment Notice***" shall have the meaning assigned to such term in Section 2.24(a).

"***Additional Commitments***" shall have the meaning assigned to such term in Section 2.24(a).

"***Additional Incremental Term Loan Lender***" shall have the meaning assigned to such term in Section 2.31(b).

"***Adjusted LIBO Rate***" shall mean, with respect to any Eurodollar Loan or Eurodollar Competitive Bid Loan for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"***Administrative Questionnaire***" shall mean an Administrative Questionnaire in the form of Exhibit B.

"***Administrative Agent***" shall have the meaning specified in the recital of parties to this Agreement.

"***Administrative Agent's Correspondent***" shall mean Deutsche Bank AG, London Branch, or any other financial institution designated by the Administrative Agent to act as its correspondent hereunder with respect to the distribution and payment of ~~Eurocurrency~~ Loans in a Permitted Alternative Currency.

"***Affected Borrower***" shall have the meaning set forth in Section 2.05(b)(v).

"***Affected Financial Institution***" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"***Affiliate***" shall mean, when used with respect to a specified Person, another Person (whether now existing or hereafter organized) that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"***Agreement***" shall mean this Senior Unsecured Credit Agreement.

"***Alternate Base Rate***" shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day *plus* ½%, or (c)(i) prior to the USD LIBOR Transition Date, the LIBO Rate for a one (1) month Interest Period (determined on a daily basis) *plus* 1% and (ii) on and after the USD LIBOR Transition Date either (A) if Term RFR is the Benchmark for Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Dollars, Term RFR for Dollars for a one-month tenor in effect on such day (taking into account any Term RFR floor set forth in the definition of "Spread Adjusted Term SOFR") plus 1.00% or (B) if Daily Simple RFR is the Benchmark for Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Dollars, Daily Simple RFR for Dollars in effect on such day (taking into account any RFR floor set forth in the definition of "Daily Simple RFR") plus 1.00%. For purposes hereof, "***Prime Rate***" shall mean the rate of interest per annum publicly announced from time to time by the Deutsche Bank AG New York Branch, as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective. The parties hereto acknowledge that the rate announced publicly by Deutsche Bank AG New York Branch, as its Prime Rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers; *provided, however*, that for the avoidance of doubt, in no circumstance shall the Prime Rate be less than ~~zero percent per annum (0.00%)~~the Floor. "***Federal Funds Effective Rate***" shall mean the rate per annum (rounded upwards, if necessary, to the next higher 1/100th of 1%) representing the daily effective federal funds rate as quoted by the Administrative Agent and confirmed in Federal Reserve Board Statistical Release H.15 (519) or any successor or substitute publication selected by the Administrative Agent; *provided, however*, that for the avoidance of doubt, in no circumstance shall the Federal Funds Rate be less than ~~zero percent per annum (0.00%)~~the Floor. If, for any reason, such rate is not available, then "Federal Funds Effective Rate" shall mean a daily rate which is determined, in the opinion of the Administrative Agent, to be the rate at which federal funds are being offered for sale in the national federal funds market at 9:00 a.m. Rates for weekends or holidays shall be the same as the rate for the most immediately preceding Business Day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate~~ or~~, the LIBO Rate, Daily Simple RFR or Term RFR, as applicable, shall be effective on the effective date of such change in the Prime Rate, the Federal Funds Effective Rate~~ or~~, the LIBO Rate, Daily Simple RFR or Term RFR, respectively.

"***Alternative Currency***" shall mean each lawful and freely available currency (other than Dollars, Euros, Sterling, Australian Dollars, Canadian Dollars) that is freely transferable and freely convertible into Dollars and in which dealings in deposits are carried on in the London interbank market, which shall be requested by the Borrower and approved by all of the Lenders.

"***Alternative Currency Amount***" shall mean with respect to each Revolving Loan made or continued (or to be made or continued) in a Permitted Alternative Currency, the amount of such Permitted Alternative Currency which is equivalent to the principal amount in Dollars of such Revolving Loan at the most favorable Spot Exchange Rate determined by the Administrative Agent to be available to it at approximately 11:00 a.m. two (2) Business Days before such Revolving Loan is made or continued (or to be made or continued). When used with respect to any other sum expressed in Dollars, "Alternative Currency Amount" shall mean the amount of such Permitted Alternative Currency which is equivalent to the amount so expressed in Dollars at the most favorable Spot Exchange Rate determined by the Administrative Agent to be available to it at the relevant time.

"***Alternative Currency Commitment***" shall mean the lesser of (a) $35,000,000 and (b) the Commitment, as such amount may be reduced or modified at any time or from time to time pursuant to the terms hereof.

"***Anniversary Date***" shall have the meaning set forth in Section 2.16(a).

"***Anti-Corruption Laws***" shall mean all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, corruption or money laundering including, without limitation, the United Kingdom Bribery Act of 2010 and the United States Foreign Corrupt Practices Act of 1977, as amended.

"***Anti-Terrorism Laws***" means any Applicable Law relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, or bribery, including the PATRIOT Act.

"***Applicable Law***" shall mean all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of courts of governmental authorities and all orders and decrees of all courts and arbitrators.

"***Applicable Percentage***" shall mean, with respect to any Eurocurrency Loan, RFR Loan, ABR Loan, Floating Rate Loan or the Facility Fee, as the case may be, the applicable percentage per annum based on the Debt Rating of the Company, as set forth in the table below (the "***Pricing Grid***") under the caption "Applicable Percentage for Eurocurrency Loans, RFR Loans and Floating Rate Loans," "Applicable Percentage for ABR Loans" or "Facility Fee", as the case may be:

Level	Debt Rating	Applicable Percentage for Eurocurrency Loans, RFR Loans and Floating Rate Loans	Applicable Percentage for ABR Loans	Facility Fee
I	³ A-/A	0.900%	0.000%	0.075%
II	BBB+/Baa1	0.975%	0.000%	0.100%
III	BBB/Baa2	1.050%	0.050%	0.125%
IV	BBB-/Baa3	1.300%	0.300%	0.175%
V	< BBB-/Baa3 or no Debt Ratin	1.500%	0.500%	0.250%

Notwithstanding the foregoing, during any period that the Consolidated Leverage Ratio (x) is less than 2.50 to 1.00 but greater than or equal to 2.00 to 1.00, if the Applicable Percentage would be determined by reference to Level IV or V of the Pricing Grid, then the Applicable Percentage shall be determined by reference to Level III of the Pricing Grid, or (y) is less than 2.00 to 1.00, if the Applicable Percentage would be determined by reference to Level III, IV or V of the Pricing Grid, then the Applicable Percentage shall be determined by reference to Level II of the Pricing Grid; *provided, however*, that (a) the Applicable Percentage for the period from the Closing Date until the date on which the Administrative Agent receives the financial statements required to be delivered pursuant to Section 5.04(b) for the quarter ending September 30, 2018 shall be at Pricing Level III, (b) no change in the Applicable Percentage pursuant to this paragraph resulting from the Consolidated Leverage Ratio shall be effective until the first Business Day after the date on which the Administrative Agent receives (i) the financial statements required to be delivered pursuant to Section 5.04(a) or (b), as the case may be, and (ii) a certificate of the Financial Officer of the Borrower demonstrating the Consolidated Leverage Ratio and (c) the Applicable Percentage shall be at Pricing Level V for so long as the Borrower has not submitted to the Administrative Agent as and when required under Section 5.04(a) or (b), as applicable, the information described in clause (b) of this proviso and shall continue to apply until the first Business Day after the date on which such information described in clause (b) is delivered. If as a result of a restatement of the Borrower's financial statements or other recomputation of the Consolidated Leverage Ratio on which the Applicable Percentage is based, the interest paid or accrued hereunder was paid or accrued at a rate lower than the interest that would have been payable had such Consolidated Leverage Ratio been correctly computed, the Borrower shall pay to the Administrative Agent for the account of the Lenders on demand the difference between the amount that should have been paid or accrued and the amount actually paid or accrued.

~~"***Applicable Reference Rate***" means, for any Eurodollar Loan or Eurocurrency Loan (other than Eurocurrency Loans denominated in Euros, Canadian Dollars and Australian Dollars), Adjusted LIBO Rate, for EURIBOR Loans, EURIBOR, for CDOR Loans, the CDOR Rate and for BBSY Loans, BBSY, as applicable.~~

"***Approved Fund***" shall mean any Person (other than a natural person), including, without limitation, any special purpose entity, that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business, *provided* that such Approved Fund must be administered by (a) a Lender, (b) a Lender Affiliate or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"***Arms-Length Basis***" shall mean, with respect to any transaction, such transaction is conducted in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower and its Restricted Subsidiaries than could be obtained on an arms-length basis from unaffiliated third parties.

"***Arrangers***" shall have the meaning specified in the recital of parties to this Agreement.

"***Asset Sale***" shall mean, with respect to the Borrower or any Restricted Subsidiary, any sale, transfer or other disposition of any assets or other properties (including individual business assets, patents, trademarks and other intangibles) of the Borrower or such Restricted Subsidiary, including the sale, transfer or disposition of any capital stock of or any merger or consolidation involving any Subsidiary, any issuance or sale by any Subsidiary of shares of its capital stock and any allocation of assets among newly divided limited liability companies pursuant to a "plan of division" under the Delaware Limited Liability Company Act, other than (i) sales of inventory and used equipment in the ordinary course of business of the Person (whether the Borrower or a Subsidiary) owning and selling such inventory or used equipment; (ii) sales, transfers and other dispositions of any tangible assets by the Borrower or any Subsidiary that have become obsolete or have been determined by the management of the Borrower or such Subsidiary to no longer be necessary for the conduct of its business; (iii) sales, transfers and other dispositions of any assets to the Borrower or any Restricted Subsidiary; (iv) Sale and Lease-Back Transactions; (v) sales by the Borrower or Subsidiaries of assets acquired from Persons other than the Borrower or other Subsidiaries, which sales occur not more than 12 months after the respective dates on which such assets were acquired; (vi) pursuant to Qualified Securitization Financing transactions and (vii) the disposition of Hedging Agreements.

"***Assignment and Acceptance***" shall mean an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in the form of Exhibit C.

"***Assigned Commitments***" shall have the meaning set forth in Section 2.16(d).

"***Assignees***" shall have the meaning set forth in Section 2.16(d).

"***Assignment Date***" shall have the meaning set forth in Section 2.16(d).

"***Assignors***" shall have the meaning set forth in Section 2.16(d).

"***Assumed Commitment***" shall have the meaning set forth in Section 2.16(d).

"***Australian Dollars***" shall mean the lawful money of the Commonwealth of Australia.

"***Available Tenor***" means, as of any date of determination and with respect to the then-current Benchmark for any Permitted Currency, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an Interest Period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then removed from the definition of "Interest Period" pursuant to Section 2.32(d).

"~~'~~***Bail-In Action***~~'~~" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.~~"~~

"~~'~~***Bail-In Legislation***~~'~~" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings)."

"***Bainum Affiliates***" shall have the meaning assigned to such term in the definition of "Permitted Holders".

"***BBSY***" means, with respect to any ~~BBSY~~ Loan denominated in Australian Dollars for any Interest Period, on any date, the rate per cent per annum quoted as the average bid rate displayed on the Thompson Reuters Monitoring System BBSY page at or about 10:30 a.m., Sydney time, on the first day of such Interest Period for a term having a tenor closest to such Interest Period. If such rate is not available for any reason, the "BBSY" will be the rate determined by the Administrative Agent in good faith and notified to the Borrower on or prior to the close of business of the first day of such Interest Period to be the arithmetic mean (rounded upwards to four decimal places and expressed as a percentage rate per annum) of the buying rates (for bills of exchange accepted by leading Australian banks) which have a tenor closest to such Interest Period quoted by three BBSY Reference Banks at or about such time on such date; *provided, however*, that if any such rate is negative, the "BBSY" will be deemed to be ~~zero percent (0.00%) per annum~~the Floor.

~~"***BBSY Loan***" means a Loan denominated in Australian Dollars which bears interest at a rate based upon BBSY.~~

"***BBSY Reference Banks***" means each of the Commonwealth Bank of Australia, Westpac Banking Corporation, the Australia and New Zealand Banking Group Limited and the National Australia Bank Limited.

"***Benchmark***" means, initially, with respect to any (a) Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Dollars, the Adjusted LIBO Rate; *provided* that if (i) the USD LIBOR Transition Date has occurred or (ii) a Benchmark Transition Event or a Term RFR Transition Event, as applicable, and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark for Dollars, then "Benchmark" means, with respect to such Obligations, interest, fees, commissions or other amounts, the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.32(a)(i), (b) Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Sterling, the Daily Simple RFR applicable for Sterling; *provided* that if a Benchmark Transition Event or a Term RFR Transition Event, as applicable, and its related Benchmark Replacement Date have occurred with respect to such Daily Simple RFR or the then-current Benchmark for Sterling, then "Benchmark" means, with respect to such Obligations, interest, fees, commissions or other amounts, the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.32(a)(i), (c) Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Euros, EURIBOR; *provided* that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to EURIBOR or the then-current Benchmark for Euros, then "Benchmark" means, with respect to such Obligations, interest, fees, commissions or other amounts, the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.32(a)(i), (d) Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Canadian Dollars, the CDOR Rate; *provided* that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the CDOR Rate or the then-current Benchmark for Canadian Dollars, then "Benchmark" means, with respect to such Obligations, interest, fees, commissions or other amounts, the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.32(a)(i) and (e) Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Australian Dollars, BBSY; *provided* that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to BBSY or the then-current Benchmark for Australian Dollars, then "Benchmark" means, with respect to such Obligations, interest, fees, commissions or other amounts, the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.32(a)(i).

"***Benchmark Replacement***" means,

(a) with respect to any Benchmark Transition Event for the then-current Benchmark, the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for such Benchmark giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for such Benchmark for syndicated credit facilities denominated in the applicable Permitted Currency at such time and (ii) the related Benchmark Replacement Adjustment; *provided* that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents; or

(b) with respect to the USD LIBOR Transition Date, for any Available Tenor of the Adjusted LIBO Rate, the first alternative set forth in the order below that can be determined by the Administrative Agent for the USD LIBOR Transition Date:

(1) Term RFR for Dollars;

(2) Daily Simple RFR for Dollars; or

(3) the sum of: (A) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the Adjusted LIBO Rate giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the Adjusted LIBO Rate for syndicated credit facilities denominated in Dollars at such time and (B) the related Benchmark Replacement Adjustment; *provided* that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents; or

(c) with respect to any Term RFR Transition Event for any Permitted Currency, the Term RFR for such Permitted Currency.

"***Benchmark Replacement Adjustment***" means, for purposes of clauses (a) and (b)(3) of the definition of "Benchmark Replacement", with respect to any replacement of any then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Permitted Currency.

"***Benchmark Replacement Conforming Changes***" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate", the definition of "Business Day," the definition of "Interest Period" or any similar or analogous definition, the definition of "RFR Business Day", timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of Section 2.18 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"***Benchmark Replacement Date***" means the earliest to occur of the following events with respect to the then-current Benchmark for any Permitted Currency:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(b) in the case of clause (c) of the definition of "Benchmark Transition Event", the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; *provided*, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date; or

(c) in the case of a Term RFR Transition Event for such Permitted Currency, the Term RFR Transition Date applicable thereto.

For the avoidance of doubt, (A) if the event giving rise to the Benchmark Replacement Date for any Benchmark occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such Benchmark and for such determination and (B) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Transition Event***" means, with respect to the then-current Benchmark for any Permitted Currency (other than Adjusted LIBO Rate), the occurrence of one or more of the following events with respect to such Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, the central bank for the Permitted Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Transition Start Date***" means, with respect to any Benchmark, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"Benchmark Unavailability Period" means, with respect to (a) the Adjusted LIBO Rate, the period (if any) (i) beginning at the time that the USD LIBOR Transition Date has occurred pursuant to clause (a) of that definition if, at such time, no Benchmark Replacement has replaced the Adjusted LIBO Rate for all purposes hereunder and under any Loan Document in accordance with Section 2.32 and (ii) ending at the time that a Benchmark Replacement has replaced the Adjusted LIBO Rate for all purposes hereunder and under any Loan Document in accordance with Section 2.32 and (b) any then-current Benchmark for any Permitted Currency other than the Adjusted LIBO Rate, the period (if any) (i) beginning at the time that a Benchmark

Replacement Date with respect to such Benchmark pursuant to clauses (a) or (b) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.32 and (ii) ending at the time that a Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.32.

"***Beneficial Ownership***" shall have the meaning provided in Rule 13d-3 of the Securities and Exchange Commission under the Exchange Act.

"***Beneficial Ownership Certification***" means, if the Company or a proposed Designated Borrower qualifies as a "legal entity customer" within the meaning of the Beneficial Ownership Regulation, a certification of beneficial ownership as required by the Beneficial Ownership Regulation.

"***Beneficial Ownership Regulation***" means 31 C.F.R. § 1010.230, as amended.

"***Benefit Plan***" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"***BHC Act Affiliate***" has the meaning specified in Section 9.21(b).

"***Board***" shall mean the Board of Governors of the Federal Reserve System of the United States.

"***Book-Running Managers***" shall have the meaning specified in the recital of parties to this Agreement.

"***Borrower***" means, at any time, collectively, the Company and each Designated Borrower (if any).

"***Borrower Materials***" shall have the meaning given such term in Section 5.04.

"***Borrower's Account***" shall mean the deposit account of the Borrower identified in the applicable notice substantially in the form of Exhibit A-2 hereto (a "***Notice of Account Designation***") delivered by the Borrower to the Administrative Agent or such deposit account as may be otherwise agreed upon by the Borrower and the Administrative Agent from time to time.

"***Business Day***" shall mean any day (other than a day which is a Saturday, Sunday or legal holiday) on which banks are open for business in New York, New York and Charlotte, North Carolina; *provided, however*, that (i) when used in connection with a Floating Rate Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market ~~and~~, (ii) when used in connection with a Eurocurrency Loan, "Business Day" shall also mean any TARGET Day, and shall exclude any day on which commercial banks are not open for foreign exchange business in London or, if such reference relates to the date on which any amount is to be paid or made available in a Permitted Alternative Currency, in the principal financial center in the country of such Permitted Alternative Currency and (iii) when used in connection with a RFR Loan denominated in Sterling, the term "Business Day" shall also exclude any day that is not a RFR Business Day with respect to Sterling.

"***Canadian Dollars***" shall mean the lawful money of Canada.

"***Capital Lease Obligations***" of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP applied on a consistent basis and, for the purposes of this Agreement, the amount of such obligations at any time shall be the liability therefor at such time determined in accordance with GAAP applied on a consistent basis.

"***Capital Stock***" shall mean (i) in the case of a corporation, capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (iii) in the case of a partnership, partnership interests (whether general or limited), (iv) in the case of a limited liability company, membership interests and (v) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person (excluding hypothetical shares of stock of the Borrower issued to employees as part of a "phantom stock" or similar compensation plan).

"***Cash Management Agreement***" shall mean any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, purchasing cards, electronic funds transfer and other cash management arrangements.

"***Cash Management Obligations***" shall mean all existing or future payment and other obligations owing by the Borrower or any Restricted Subsidiary under any Cash Management Agreement (which such Cash Management Agreement is permitted hereunder) with any person that (i) is a Lender or a Lender Affiliate or (ii) was a Lender or a Lender Affiliate at the time such Cash Management Agreement is entered into.

~~"***CDOR Loan***" means a Loan denominated in Canadian Dollars which bears interest at a rate based upon the CDOR Rate.~~

"***CDOR Rate***" means, (a) if the Lender is a Schedule I chartered bank under the BankAct (Canada) on any date, the annual rate of interest which is the rate based on an average rate applicable to Canadian Dollar bankers' acceptances for the applicable Interest Period appearing on the Reuters screen CDOR Page, rounded up to the nearest 1/100th of 1%, at approximately 10:00 a.m., Toronto time, on such date, or if such date is not a Business Day, then on the immediately preceding Business Day; *provided* that if such rate does not appear on the Reuters screen CDOR Page on such date as contemplated, then the CDOR Rate on such date shall be calculated as the rate for the term referred to above applicable to Canadian Dollar bankers' acceptances quoted by the Canadian Reference Lender as of 10:00 a.m., Toronto time, on such date or, if such date is not a Business Day, then on the immediately preceding Business Day, or (b) if the Lender is any other Person, the rate specified in clause (a) above plus 0.10%; *provided*, *further*, that (i) if any such rate is negative, the CDOR Rate will be deemed to be ~~zero percent per annum (0.00%)~~the Floor and (ii) the CDOR Rate for any Interest Period shall be adjusted to reflect the Statutory Reserve Rate, if applicable thereto, by multiplying the rate described above by the Statutory Reserve Rate.

"***Change in Control***" shall be deemed to have occurred if (i) any Person or two or more Persons acting in concert (other than, in either case, a Permitted Holder) shall have acquired Beneficial Ownership, directly or indirectly, of, or shall have acquired by contract or otherwise, Capital Stock of the Company (or other securities convertible into such Capital Stock) representing 35% or more of the aggregate ordinary voting power represented by the issued and outstanding Capital Stock of the Company, (ii) the direct or indirect sale, assignment, transfer, lease, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the Company's and its Subsidiaries' properties or assets, taken as a whole, to any "person" (individually and as that term is used in Section 13(d)(3) and Section 14(d)(2) of the Exchange Act), other than the Company or one of its Subsidiaries, or (iii) Continuing Directors shall cease for any reason to constitute a majority of the members of the board of directors of the Company then in office.

"***Change in Law***" shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority, *provided* that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements or the Basel Committee on Banking Supervision, in each case pursuant to Basel III, shall be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"***Closing Date***" shall mean the date hereof.

"***Code***" shall mean the Internal Revenue Code of 1986, and the rules and regulations thereunder, each as may be amended or modified from time to time.

"***Commitment***" shall mean, as to any Lender, the obligation of such Lender to (a) make Revolving Loans to the account of the Borrower hereunder and (b) purchase participations in Swingline Loans pursuant to Section 2.02(b), in each case in an aggregate principal amount at any time outstanding not to exceed the amount set forth opposite such Lender's name in the Register, as such amount may be increased or reduced at any time or from time to time pursuant to the terms hereof. The aggregate Commitments of all Lenders on the Closing Date shall be $600,000,000.

"***Competitive Bid***" shall mean an offer by a Lender to make a Competitive Bid Loan pursuant to Section 2.04.

"***Competitive Bid Accept/Reject Letter***" shall mean a notification made by the Borrower pursuant to Section 2.04(c) in the form of Exhibit A-8.

"***Competitive Bid Interest Period***" shall have the meaning assigned thereto in Section 2.09(b)(ii).

"***Competitive Bid Loan***" shall mean any Loan bearing interest at the Competitive Bid Rate determined in accordance with Section 2.04.

"***Competitive Bid Rate***" shall mean, as to any Competitive Bid made by a Lender pursuant to Section 2.04 in the case of (a) (i) prior to the USD LIBOR Transition Date for a Eurodollar Competitive Bid Loan, the Adjusted LIBO Rate adjusted by the Competitive Margin and (ii) thereafter for a Competitive Bid Loan that is an RFR Loan, the Benchmark adjusted by the Competitive Margin and (b) a Fixed Rate Loan, the fixed rate of interest offered by the Lender making such Competitive Bid.

"***Competitive Bid Reduction***" shall have the meaning given such term in Section 2.01(a).

"***Competitive Bid Request***" shall mean a request made pursuant to Section 2.04(a) in the form of Exhibit A-5.

"***Competitive Margin***" shall mean, as to any ~~Eurodollar~~ Competitive Bid Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) to be added to or subtracted from the ~~Adjusted LIBO Rate~~applicable Benchmark in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"***Consent Date***" shall have the meaning set forth in Section 2.16(a).

"***Consolidated***" refers to the consolidation of accounts in accordance with GAAP.

"***Consolidated EBITDA***" shall mean, for any period, the Consolidated Net Income for such period taken as a single accounting period, plus (a) the sum of the following amounts of the Borrower and its Subsidiaries for such period determined on a consolidated basis in conformity with GAAP to the extent deducted in the determination of such Consolidated Net Income: (i) depreciation expense, (ii) amortization expense and capitalized fees related to any Qualified Securitization Financing of the Borrower or any of its Subsidiaries, (iii) interest expense, (iv) income and franchise tax expense, (v) amortization of management and franchise agreement intangibles constituting key money, (vi) other non-cash charges (other than any increase in the allowance for doubtful accounts), (vii) unusual or non-recurring charges, as determined in good faith by the Borrower, including restructuring charges, start-up or initial costs for any project, new production line, division or new line of business, integration costs or other business optimization expenses or reserves including, without limitation, any one-time costs incurred in connection with acquisitions and investments and (viii) the amount of loss or discount on sale of receivables, Securitization Assets and related assets to any Securitization Subsidiary in connection with a Qualified Securitization Financing, *minus* (b) the portion of such Consolidated EBITDA attributable to any Domestic Subsidiary that is not a Restricted Subsidiary; *provided*, *however*, "***Consolidated EBITDA***" for any period shall exclude overspend and underspend or recovery associated with managed costs to the extent with respect to an overspend, the amount is reasonably anticipated to be recovered in a subsequent period and, with respect to an underspend or recovery, such amount was added back to Consolidated EBITDA in a prior period.

"***Consolidated Fixed Charge Coverage Ratio***" shall mean, as of any date of determination, the ratio of (i) Consolidated EBITDA for the fiscal four quarter period most recently ended for which financial statements of the Borrower are required to be delivered to the Administrative Agent pursuant to Section 5.04(a) or (b), as the case may be, to (ii) Consolidated Fixed Charges for such fiscal four quarter period.

"***Consolidated Fixed Charges***" shall mean, for any period, the sum of (a) Consolidated Interest Expense *plus* (b) aggregate distributions on Preferred Interests payable by the Borrower for such period and distributions made by the Borrower in such period for the purpose of paying dividends on Preferred Interests issued by the Borrower, *provided* that all such obligations of a Domestic Subsidiary that is not a Restricted Subsidiary shall be excluded from the determination of Consolidated Fixed Charges.

"***Consolidated Indebtedness***" shall mean, as of any date of determination without duplication, all obligations accounted for as Indebtedness on a consolidated balance sheet of the Borrower and its Subsidiaries on such date, in accordance with GAAP consistently applied, whether such obligations are classified as long-term or short-term, and including in any event, without duplication, all (x) Guarantees of Indebtedness of others and (y) all obligations as an account party in respect of letters of credit and bankers' acceptances, but excluding (A) Indebtedness of the type described in clause (i) of the definition of Indebtedness, (B) Indebtedness incurred for the purpose of consummating a Material Acquisition if (and for so long as) (1) such Material Acquisition has not been consummated and (2) (x) the proceeds of such Indebtedness are held by the Borrower in the form of unrestricted cash or cash equivalents or (y) such Indebtedness is subject to mandatory redemption in the event such Material Acquisition is not consummated) and (C) Indebtedness in respect of Qualified Securitization Financings; *provided* that all such obligations of a Domestic Subsidiary that is not a Restricted Subsidiary shall be excluded from the determination of Consolidated Indebtedness.

"***Consolidated Interest Expense***" shall mean, for any period, the aggregate cash interest expense of the Borrower and its Subsidiaries for such period, including capitalized interest and the portion of any payments made in respect of Capital Lease Obligations deemed to represent interest, all as determined on a Consolidated basis in accordance with GAAP consistently applied, but excluding (a) deferred financing costs, (b) other non-cash interest expenses, (c) any commissions, discounts, yield and other fees and charges (including any interest expense) related to any Qualified Securitization Financing and (d) interest expense in respect of Indebtedness incurred for the purpose of consummating a Material Acquisition if (and for so long as) (1) such Material Acquisition has not been consummated and (2) (x) the proceeds of such Indebtedness are held by the Borrower in the form of unrestricted cash or cash equivalents or (y) such Indebtedness is subject to mandatory redemption in the event such Material Acquisition is not consummated.

"***Consolidated Leverage Ratio***" shall mean, as of any date of determination, the ratio of (i) Consolidated Indebtedness to (ii) Consolidated EBITDA for the fiscal four quarter period most recently ended for which financial statements of the Borrower are required to be delivered to the Administrative Agent pursuant to Section 5.04(a) or (b), as the case may be. In the event the Borrower shall complete, directly or through a Subsidiary (other than a Domestic Subsidiary that is not a Restricted Subsidiary), an acquisition or divestiture of any Person or business unit during any period, the Consolidated Leverage Ratio as of the end of and for such period shall thereafter be determined on a *pro forma* basis as if such acquisition or divestiture had been completed on the first day of such period.

"***Consolidated Net Assets***" shall mean the Consolidated total assets of the Borrower and its Subsidiaries, after deducting therefrom all current liabilities of the Borrower and its Subsidiaries (other than the current portion of long-term Indebtedness of the Borrower and its Subsidiaries and Capitalized Lease

Obligations of the Borrower and its Subsidiaries), all as set forth on the latest Consolidated balance sheet of the Borrower prepared in accordance with GAAP.

"***Consolidated Net Income***" shall mean, for any period, the net income (or loss) of the Borrower and its Subsidiaries for such period, as determined on a Consolidated basis in accordance with GAAP consistently applied; *provided, however*, that with respect to interest income only cash interest income shall be included in the determination of Consolidated Net Income.

"***Consolidated Total Assets***" shall mean, as at any date of determination, the total assets of the Borrower and its Subsidiaries at such time, as determined on a Consolidated basis in accordance with GAAP consistently applied, and including in any event and without limitation, the value of all investments by the Borrower or any Subsidiary in any joint venture or other Person that is not Consolidated with the Borrower in accordance with GAAP, *minus* the portion of such Consolidated Total Assets attributable to any Domestic Subsidiary that is not a Restricted Subsidiary.

"***Continuing Directors***" shall mean, during any period of up to 24 consecutive months after the date hereof, individuals who at the beginning of such 24 month period were directors of the Borrower (together with any new director whose election or designation by the Borrower's board of directors or whose nomination for election by the Borrower's stockholders was approved by a vote of (i) at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election, designation or nomination for election was previously so approved or (ii) Permitted Holders representing not less than 50% of the aggregate ordinary voting power represented by the issued and outstanding Capital Stock of the Borrower).

"***Control***" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and "Controlling" and "Controlled" shall have correlative meanings; *provided, however*, that the existence of a management contract by the Borrower or one of its Affiliates to manage another entity shall not be deemed to be Control.

"***Covered Entity***" has the meaning specified in Section 9.21(b).

"***Covered Party***" has the meaning specified in Section 9.21(a).

"***Credit Event***" shall have the meaning assigned to such term in Section 4.01.

"***Daily Simple RFR***" means, for any day (an "***RFR Rate Day***"), a rate per annum equal to, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, (a) Dollars, on and after the USD LIBOR Transition Date, the greater of (i) Spread Adjusted SOFR for the day (such day "*i*") that is five (5) RFR Business Days[1]prior to (A) if such RFR Rate Day is an RFR Business Day, such RFR Rate Day or (B) if such RFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Rate Day, in each case, utilizing the SOFR component of such Spread Adjusted SOFR that is published by the SOFR Administrator on the SOFR Administrator's Website, and (ii) the Floor and (b) Sterling, the greater of (i) Spread Adjusted SONIA for the day (such day "*i*") that is five (5) RFR Business Days prior to (A) if such RFR Rate Day is an RFR Business Day, such RFR Rate Day or (B) if such RFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Rate Day, in each case, utilizing the SONIA component of such Spread Adjusted SONIA that is published by the SONIA Administrator on the SONIA Administrator's Website, and (ii) the Floor. If by 5:00 pm (local time for the applicable RFR) on the second (2nd) RFR Business Day immediately following any day "*i*", the RFR in respect of such day "*i*" has not been published on the applicable RFR Administrator's Website and a Benchmark Replacement Date with respect to the applicable Daily Simple RFR has not occurred, then the RFR for such day "*i*" will be the RFR as published in respect of the first preceding RFR Business Day for which such RFR was published on the RFR Administrator's Website; *provided* that any RFR determined pursuant to this sentence shall be utilized for purposes of calculation of

Daily Simple RFR for no more than three (3) consecutive RFR Rate Days. Any change in Daily Simple RFR due to a change in the applicable RFR shall be effective from and including the effective date of such change in the RFR without notice to the Borrower.

"***Daily Simple RFR Loan***" means a Loan that bears interest at a rate based on Daily Simple RFR other than pursuant to clause (c) of the definition of "Alternate Base Rate".

"***DBNY***" shall mean Deutsche Bank AG New York Branch.

"***Debt Rating***" shall mean, as of any date, with respect to any of Fitch, Moody's or S&P, the most recent credit rating assigned to the senior, unsecured, non-credit enhanced, long-term debt of the Borrower issued by such rating agency prior to such date; provided, however, that:

(a) During any period for which the Borrower has received three (3) Debt Ratings which are not equivalent, the Applicable Percentage will be determined by (i) the highest Debt Rating if the highest Debt Rating and the second highest Debt Rating differ by only one Level or (ii) the Debt Rating one Level below the Level corresponding to the highest Debt Rating if the highest Debt Rating and the second highest Debt Rating differ by two or more Levels.

(b) During any period for which the Borrower has received only two (2) Debt Ratings and such Debt Ratings are not equivalent, the Applicable Percentage will be determined by (i) the highest Debt Rating if they differ by only one Level or (ii) the Debt Rating one Level below the Level corresponding to the higher Debt Rating if they differ by two or more Levels.

(c) During any period for which the Borrower has received no Debt Rating from Fitch, if the Borrower also ceases to have a Debt Rating from one of S&P or Moody's, then the Applicable Percentage shall be determined based on the remaining such Debt Rating.

(d) Notwithstanding any Debt Rating from Fitch, during any period in which neither S&P nor Moody's has provided a Debt Rating corresponding to Level IV or better to the Borrower, the Applicable Percentage shall be determined based on Level V.

At any time, if any of Fitch, Moody's or S&P shall no longer perform the functions of a securities rating agency and such rating agency had provided a Debt Rating immediately prior to such cessation, then (x) the Borrower and the Administrative Agent shall promptly negotiate in good faith to agree upon a substitute rating agency or agencies (and to correlate the system of ratings of each substitute rating agency with that of the rating agency being replaced), and (y) pending such amendment, (1) subject to clauses (c) and (d) of the foregoing proviso, the Debt Rating of the other of rating agency described herein, if one has been provided, shall continue to apply and (2) if such Debt Rating is one of the ratings identified in clause (a) or (b) of the definition of Investment Grade Rating, as applicable, then the Borrower will be deemed to have achieved an Investment Grade Rating during such time.

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

"***Default Right***" has the meaning specified in Section 9.21(b).

"***Defaulting Lender***" shall mean any Lender that (a) has failed to fund any portion of any Loan or any participation in any Swingline Loan required to be funded by it hereunder within two Business Days of the date required to be funded by it hereunder, (b) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless such amount is the subject of a good faith dispute, (c) has notified the Borrower, the Administrative Agent or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply or has failed to comply with its funding obligations under this Agreement, or (d) has become or is, or whose direct or indirect parent company has become or is, insolvent or has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has become the subject of a Bail-in Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Capital Stock in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.27(f)) upon delivery of written notice of such determination to the Borrower, the Swingline Lender and each Lender.

"***Departing Lender***" shall have the meaning assigned to such term in Section 2.26.

"***Designated Bank***" shall mean a special purpose entity that (i) shall have become a party to this Agreement pursuant to Section 9.04(i), and (ii) is not otherwise a Lender.

"***Designated Bank Notes***" shall mean promissory notes of the Borrower, substantially in the form of Exhibit F hereto, evidencing the obligation of the Borrower to repay Competitive Bid Loans made by Designated Banks, as the same may be amended, supplemented, modified or restated from time to time, and "Designated Bank Note" shall mean any one of such promissory notes issued under Section 9.04(i).

"***Designated Borrower***" means any Wholly Owned Subsidiary of the Company as to which a Designation Letter has been delivered to the Administrative Agent and as to which a Termination Letter has not been delivered to the Administrative Agent in accordance with Section 2.30(d).

"***Designated Lender***" shall have the meaning set forth in Section 2.30(b).

"***Designating Lender***" shall have the meaning set forth in Section 9.04(i).

"***Designation Agreement***" shall mean a designation agreement in substantially the form of Exhibit G attached hereto, entered into by a Lender and a Designated Bank and accepted by the Administrative Agent.

"***Designation Letter***" has the meaning specified in Section 2.30(a).

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

"***Domestic Subsidiary***" shall mean any Subsidiary that is organized under the laws of any political subdivision of the United States of America (other than a Subsidiary described in clause (ii) of the definition of Foreign Subsidiary).

"***Early Opt-in Effective Date***" means, with respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

"***Early Opt-in Election***" means the occurrence of: (a) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and (b) the joint election by the Administrative Agent and the Borrower to trigger a fallback from the Adjusted LIBO Rate and the provision by the Administrative Agent of written notice of such election to the Lenders.

"***EEA Financial Institution***" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"***EEA Member Country***" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"***EEA Resolution Authority***" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Effective Date***" shall mean the date on and as of which each of the conditions set forth in Section 4.02 shall have been satisfied.

"***Eligible Assignee***" shall mean (a) a Lender, (b) a Lender Affiliate, (c) an Approved Fund, and (d) any other person (other than a natural person) approved by (i) the Administrative Agent and the Swingline Lender and (ii) unless an Event of Default under clause (b), (c), (g) or (h) of Article VII or a Default in the performance and observance of Sections 6.11 and 6.12 has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed), *provided* that notwithstanding the foregoing, "Eligible Assignee" shall not include the Borrower or any of the Borrower's Affiliates or Subsidiaries.

"***EMU***" shall mean economic and monetary union as contemplated in the Treaty on European Union.

"***EMU Legislation***" shall mean legislative measures of the Council of European Union for the introduction of, change over to or operation of the Euro.

"***Equivalent Dollar Amount***" shall mean, (a) with respect to any Loan denominated in any Permitted Alternative Currency, the amount of Dollars that would be required to purchase the amount of the Permitted Alternative Currency of such Loan on the date two (2) Business Days prior to the date of such Loan (or in the case of any determination made under Section 2.05 or redenomination under Section 2.15, on the date of determination or redenomination therein referred to), based upon the Spot Exchange Rate and (b) with respect to any amount of Dollars on any date, such amount of Dollars.

"***ERISA***" shall mean the Employee Retirement Income Security Act of 1974, and the rules and regulations thereunder, each as amended or modified from time to time.

"***ERISA Affiliate***" shall mean any person (whether or not incorporated) that is a member of a group of which the Borrower is a member and which is treated as a single employer under Section 414 of the Code or Section 4001(b) of ERISA.

"***EU Bail-In Legislation Schedule***" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"***EURIBOR***" means, with respect to any Revolving Loan in Euros for any Interest Period, the rate per annum equal to the Banking Federation of the European Union EURIBO Rate for such Interest Period displayed on the appropriate page of the Reuters screen (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as reasonably determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in Euros in the European interbank market) at approximately 11:00 a.m., Brussels time, two Business Days prior to the commencement of such Interest Period, as the rate for deposits in Euros for a term comparable to such Interest Period; *provided* that in the event that such rate is not available at such time for any reason, then "EURIBOR" with respect to such Loan for such Interest Period shall be the rate at which deposits in Euros approximately equal to the amount of such Loan and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative in immediately available funds in the European interbank market at approximately 11:00 a.m., Brussels time, two Business Days prior to the commencement of such Interest Period; *provided, further*, that (a) if any such rate is negative EURIBOR will be deemed to ~~be zero percent per annum (0.00%)~~the Floor and (b) EURIBOR for any Interest Period shall be adjusted to reflect the Statutory Reserve Rate by multiplying the rate described above by the Statutory Reserve Rate.

"~~***EURIBOR***~~***Eurocurrency* Loan**" ~~means~~shall mean a Loan denominated in ~~Euros which bears interest at a rate based upon EURIBOR~~a Permitted Alternative Currency other than Sterling.

"***Euros***" shall mean the single currency to which the Participating Member States of the European Union have converted.

~~"***Eurocurrency***" when used in reference to any Loan shall refer to whether such Loan, or Loans, denominated in a Permitted Alternative Currency are bearing interest at a rate determined by reference to the Applicable Reference Rate in accordance with the provisions of Article II.~~

"***Eurodollar***" when used in reference to any Loan shall refer to whether such Loan, or Loans, denominated in Dollars are bearing interest at a rate determined by reference to the Adjusted LIBO Rate in accordance with the provisions of Article II.

"***Event of Default***" shall have the meaning assigned to such term in Article VII.

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

"***Excluded Taxes***" shall have the meaning given such term in Section 2.20(a).

"***Existing Agreement***" shall have the meaning set forth in the recitals to this Agreement.

"***Existing Stockholder***" shall mean any stockholder of the Borrower which, together with such stockholder's affiliates, owns more than 5% of the common stock of the Borrower as of the Closing Date so long as the Bainum Affiliates continue to own more common stock of the Borrower than such Existing Stockholder.

"***Extending Commitments***" shall have the meaning set forth in Section 2.16(b)(ii).

"***Extending Lender***" shall have the meaning set forth in Section 2.16(a)(i).

"***Extension Date***" shall mean, following the satisfaction of the conditions specified in clause (i) or clause (ii) of Section 2.16(b), the Consent Date.

"***Facility***" shall mean, at any time, the aggregate amount of the Commitments at such time.

"***Facility Assigned Rights and Obligations***" shall have the meaning set forth in Section 2.29(a).

"***Facility Exposure***" shall mean, at any date of determination, the sum of the aggregate principal amount of all outstanding Loans *plus*, without duplication, the outstanding Swingline Loans.

"***Facility Fee***" shall have the meaning assigned thereto in Section 2.07(a).

"***Facility Purchasing Lender***" shall have the meaning set forth in Section 2.29(a).

"***Facility Selling Lender***" shall have the meaning set forth in Section 2.29(a).

"***FATCA***" shall mean Sections 1471 through 1474 of the Code (as of the date hereof or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof (including any Revenue Ruling, Revenue Procedure, Notice or similar guidance issued by the United States Internal Revenue Service thereunder as a precondition to relief or exemption from Taxes under such provisions) and any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"***FCA***" means the Financial Conduct Authority, the regulatory supervisor of the IBA.

"***Federal Funds Effective Rate***" shall have the meaning assigned to such term in the definition of "Alternate Base Rate".

"***Fee Letter***" shall mean any fee letter agreement executed and delivered by the Borrower in connection with this Agreement (but not, for the avoidance of doubt, the Existing Agreement) and to which any Arranger and/or the Administrative Agent is a party, as the same may be amended from time to time.

"***Financial Officer***" of any corporation shall mean the chief financial officer, principal accounting officer, treasurer or controller of such corporation.

"***Fitch***" shall mean Fitch Ratings, Inc. and its successors.

"***Fixed Rate Loan***" shall mean any Competitive Bid 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 Fixed Rate Loan in its Competitive Bid.

"***Floating Rate Loan***" shall mean any Eurodollar Loan, any RFR Loan denominated in Dollars and any Swingline Loan.

"***Floor***" means a rate of interest equal to zero percent per annum (0.00%).

"***Foreign Lender***" shall mean any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"***Foreign Subsidiary***" shall mean (i) any Subsidiary that is not a Domestic Subsidiary, including any Subsidiary which is a "controlled foreign corporation" (within the meaning of Section 957 of the Code) or (ii) any Subsidiary organized under any political subdivision of the United States of America substantially all of the assets of which constitute the Capital Stock of one or more controlled foreign corporations.

"***Franchise Agreement***" shall mean a contract (whether called a franchise agreement, license agreement or otherwise) pursuant to which the Borrower grants a third party the right to operate a hotel under one or more hotel brands, as each such contract may be amended from time to time.

"***Fronting Exposure***" shall mean, at any time there is a Defaulting Lender, with respect to the Swingline Lender, such Defaulting Lender's Pro Rata Percentage of Swingline Loans other than Swingline Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders, repaid by the Borrower or for which cash collateral or other credit support acceptable to the Swingline Lender shall have been provided in accordance with the terms hereof.

"***GAAP***" shall mean generally accepted accounting principles in effect from time to time in the United States of America as recognized by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board and any other applicable authoritative bodies; *provided* that in the event of a conflict in the principles recognized by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board and another applicable authoritative body, the principles in effect at such time and recognized by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board shall control.

"***Governmental Authority***" shall mean the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"***Guarantee***" of or by any Person shall mean any obligation, contingent or otherwise, of such 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 (a) any obligation of such Person, direct or indirect, to assume, 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 of such Indebtedness, (b) any obligation of such Person to provide other credit support or to purchase property, securities or services in each case for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness, and (c) any obligation of such Person to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; *provided, however*, that the term Guarantee shall not include (i) endorsements for collection or deposit, in either case in the ordinary course of business or (ii) performance guarantees, construction guarantees or customary Non-Recourse guarantees of Non-Recourse Indebtedness, unless and until a claim for payment has been made under any performance guarantee, construction guarantee or customary Non-Recourse Guarantee, at which time any such performance guarantee, construction guarantee or customary Non-Recourse Guarantee shall be deemed to be a Guarantee in an amount equal to such claim.

"***Guaranteed Obligations***" shall have the meaning set forth in Section 10.01.

"***Hedging Agreement***" shall mean any agreement with respect to any Interest Rate Contract, forward rate agreement, commodity swap, forward foreign exchange agreement, currency swap agreement, cross-currency rate swap agreement, currency option agreement or other agreement or arrangement designed to alter the risks of any person arising from fluctuations in interest rates, currency values or commodity prices, all as amended, restated, supplemented or otherwise modified from time to time.

"***Hedging Obligations***" shall mean all existing or future payment and other obligations owing by the Borrower or any Restricted Subsidiary under any Hedging Agreement (which such Hedging Agreement is permitted hereunder) with any person that (i) is a Lender or a Lender Affiliate or (ii) was a Lender or a Lender Affiliate at the time such Hedging Agreement is executed.

"***Hotel Properties***" shall mean any hotel properties owned on the Closing Date or acquired or constructed after the Closing Date, including fixtures and personalty associated therewith.

"***IBA***" means the ICE Benchmark Administration, the administrator of the London interbank offered rate.

"***Increasing Lender***" shall have the meaning set forth in Section 2.16(a)(ii).

"***Incremental Term Loan Facility***" shall have the meaning assigned to such term in Section 2.31(a).

"***Incremental Term Loan Date***" shall have the meaning assigned to such term in Section 2.31(a).

"***Incremental Term Loan Maturity Date***" shall have the meaning assigned to such term in Section 2.31(a).

"***Incremental Term Loan Amendment***" shall have the meaning assigned to such term in Section 2.31(c).

"***Incremental Term Loan Lenders***" shall mean, collectively, the Additional Term Loan Lenders and each other Lender participating in the Incremental Term Loan Facility.

"***Indebtedness***" of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services, (f) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed (valued at the lesser of (1) the amount of such indebtedness or (2) if such indebtedness is Non-Recourse to such Person, the fair market value of such property), (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations of such Person in respect of Hedging Agreements, (j) all obligations of such Person as an account party in respect of letters of credit (other than (x) documentary letters of credit (including commercial and trade letters of credit) issued to secure payment obligations in respect of goods and services in the ordinary course of business and (y) letters of credit and surety bonds with respect to underlying obligations of such Person that are already accounted for as liabilities elsewhere in this definition) and bankers' acceptances, (k) to the extent not otherwise included, all obligations of such Person under so-called forward equity purchase contracts where such Person is obligated to purchase or redeem any shares of equity securities issued by such Person, and (l) all obligations of such person in respect of any so-called "synthetic lease" (i.e., a lease of property which is treated as an operating lease under GAAP and as a loan or financing for U.S. income tax purposes). Notwithstanding the foregoing, Indebtedness shall (x) not include (1) "deferred revenues", "current accounts payable" or "accrued and other expenses" (as such items are set forth in the financial statements of the Borrower and its Subsidiaries to be delivered to the Administrative Agent and each Lender pursuant to Section 5.04) incurred in the ordinary course of business and (2) obligations under or in respect of Qualified Securitization Financing, and (y) include the Indebtedness of any partnership in which such Person is a general partner, except to the extent that such Indebtedness is expressly stated to be non-recourse to such partner.

"***Indenture***" shall mean that certain Indenture, dated as of August 25, 2010, between the Borrower and Wells Fargo Bank, National Association, as trustee, as supplemented by a Supplemental Indenture dated as of August 25, 2010 and a Second Supplemental Indenture dated as of June 27, 2012, as the same may be further amended.

"***Initial Maturity Date***" shall mean August 20, 2023.

"***Insignificant Subsidiary***" shall mean, at any time, any Subsidiary of the Borrower that (x) has (i) assets of not greater than 10% of the Consolidated total assets of the Borrower and its Subsidiaries (determined as of the last day of the most recent fiscal quarter of the Borrower) and (ii) revenue of less than 10% of the Consolidated revenues of the Borrower and its Subsidiaries for the most recently ended four-quarter period of the Borrower and its Subsidiaries (computed *pro forma* for any acquisitions or dispositions made during such four-quarter period) and (y) if aggregated with all other Subsidiaries of the Borrower with respect to which an event described under clause (g) or (h) of Article VII has occurred and is continuing, would have (i) assets of not greater than 10% of the Consolidated total assets of the Borrower and its Subsidiaries (determined as of the last day of the most recent fiscal quarter of the Borrower) and (ii) revenue of less than 10% of the Consolidated revenues of the Borrower and its Subsidiaries for the most recently ended four-quarter period of the Borrower and its Subsidiaries (computed *pro forma* for any acquisitions or dispositions made during such four-quarter period).

"***Intellectual Property***" shall have the meaning set forth in Section 3.20 hereof.

"***Interest Payment Date***" shall mean, ~~with respect to any~~(a) as to any ABR Loan, the last Business Day of each March, June, September and December and the applicable Maturity Date, (b) as to any Eurodollar Loan, Eurocurrency Loan or Term RFR Loan, the last day of ~~the~~each Interest Period ~~applicable thereto~~therefor and, in the case of ~~a Eurocurrency Loan or Eurodollar Loan with an~~any Interest Period of more than three ~~(3)~~ months' duration~~ or a Fixed Rate Loan with an Interest Period of more than three (3) months' duration, each day that would have been an Interest Payment Date for such Loan had successive Interest Periods of three months' duration been applicable to such Loan and, in addition, the date of any refinancing or conversion of such Loan.~~, each day prior to the last day of such Interest Period that occurs at three-month intervals after the first day of such Interest Period, and the applicable Maturity Date, (c) as to any Daily Simple RFR Loan, the last Business Day of each calendar month and the applicable Maturity Date, and (d) as to any Swingline Loan, the last Business Day of each March, June, September and December and the applicable Maturity Date.

"***Interest Period***" shall mean (a) as to any Eurocurrency Loan, Term RFR Loan or Eurodollar Loan, the period commencing on the date of such borrowing and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, ~~2,~~ 3 or 6 months thereafter, as the Borrower may elect, *provided* that (i) no tenor that has been removed from this definition pursuant to Section 2.32(d) shall be permitted to be elected for such borrowing and (ii) the Borrower may not elect a tenor of 6 months with respect to any Eurocurrency Loan denominated in Canadian Dollars, (b) as to any ABR Loan, the period commencing on the date of such ABR Loan and ending on the earliest of (i) the last Business Day of the calendar quarter in which such ABR Loan was made, (ii) the Maturity Date, or (iii) the date of prepayment of such Loan~~ and~~, (c) as to any Daily Simple RFR Loan, the period commencing on the date of such Daily Simple RFR Loan and ending on the earliest of (i) the last Business Day of the calendar month in which such Daily Simple RFR Loan was made, (ii) the Maturity Date, or (iii) the date of prepayment of such Loan, and (d) as to any Fixed Rate Loan, the period commencing on the date of such Fixed Rate Loan and ending on the date specified in the Competitive Bids in which the offer to make the Fixed Rate Loans were extended, which shall not be earlier than seven (7) days after the date of such Fixed Rate Loan or later than ninety (90) days after the date of such Fixed Rate Loan; *provided, however*, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next Business Day unless, in the case of Eurocurrency Loans, Term RFR Loans and Eurodollar Loans only, such next Business Day would fall in the next calendar month, in which case such Interest Period shall end on the preceding Business Day. 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 Contract***" shall mean any interest rate swap agreement, interest rate cap agreement, interest rate floor agreement, interest rate collar agreement, interest rate option or any other agreement regarding the hedging of interest rate risk exposure executed in connection with hedging the interest rate exposure of any person and any confirming letter executed pursuant to such agreement, all as amended, restated, supplemented or otherwise modified from time to time.

"***Interest Rate Determination Date***" shall mean, in relation to any period for which an interest rate is to be determined with respect to a Eurodollar Loan, Term RFR Loan or Eurocurrency Loan: (a) (if the currency is euro) two TARGET Days before the first day of that period; or (b) (for any other currency) two Business Days before the first day of that period, unless, in either case, market practice differs in the relevant interbank market for a currency, in which case the Interest Rate Determination Date for that currency will be determined by the Administrative Agent in accordance with market practice in the relevant interbank market (and if quotations would normally be given by leading banks in the relevant interbank market on more than one day, the Interest Rate Determination Date will be the last of those days).

"***Investment Grade Rating***" shall mean a Debt Rating of both (a) BBB- or better from S&P and (b) Baa3 or better from Moody's. Subject to the last sentence of the definition of Debt Rating, no Person shall be considered to have achieved an Investment Grade Rating unless it shall have achieved each rating identified in clauses (a) and (b).

"***Lender***" shall mean (a) a Person listed on Schedule 2.01 and any other Person that shall become a party hereto pursuant to an Assignment and Acceptance or an accession agreement executed and delivered in accordance with Section 2.24 or 2.28(a), as the case may be, other than such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance or (b) a Designated Bank; *provided, however*, that the term "Lender" shall exclude each Designated Bank when used in reference to a Revolving Loan, the Commitments or terms relating to the Revolving Loans and the Commitments and shall further exclude each Designated Bank for all other purposes hereunder, except that any Designated Bank which funds a Competitive Bid Loan shall, subject to Section 9.04(i), have the rights (including, without limitation, the rights given to a Lender contained in Article IX) and obligations of a Lender associated with holding such Competitive Bid Loan.

"***Lender Affiliate***" shall mean, (a) with respect to any Lender, (i) an Affiliate of such Lender or (ii) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an Affiliate of such lender and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"***Lending Office***" shall mean, with respect to any Lender, the office of such Lender maintaining such Lender's Pro Rata Percentage of the Loans.

"***LIBO Rate***" shall mean, with respect to any Eurodollar Loan ~~or Eurocurrency Loan (other than Eurocurrency Loans denominated in Euros, Canadian Dollars and Australian Dollars)~~ for any Interest Period, the rate appearing on the Reuters Screen LIBOR01 (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in ~~the applicable currency~~Dollars in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for deposits in ~~the applicable currency~~Dollars with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason ~~or in the event of an Eurocurrency Loan denominated in Sterling~~, then the "LIBO Rate" with respect to such Eurodollar Loan ~~or Eurocurrency Loan~~ for such Interest Period shall be the rate at which deposits in ~~the applicable currency~~Dollars of $5,000,000 ~~(or its Equivalent Dollar Amount)~~ and for a maturity comparable to such Interest Period are offered by the Administrative Agent's Correspondent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, on the Interest Rate Determination Date; *provided, however,* that for the avoidance of doubt, in no circumstance shall the LIBO Rate be less than ~~zero percent per annum (0.00%)~~the Floor. Each calculation by the Administrative Agent of the LIBO Rate shall be conclusive and binding for all purposes, absent manifest error.

~~"***LIBOR Market Index Rate***" shall mean, with respect to any Swingline Loan, as of any date of determination, the rate for 1 month dollar deposits as reported on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Swingline Lender from time to time for purposes of providing quotations of interest rates applicable to deposits in the applicable currency in the London interbank market) as of 11:00 a.m., London time, on such day, or if such day is not a Business Day, then the immediately preceding Business Day (or if not so reported, then as determined by the Swingline Lender from another recognized source or interbank quotation), as such rate may fluctuate on a daily basis; *provided, however*, that for the avoidance of doubt, in no circumstance shall the LIBOR Market Index Rate be less than zero percent per annum (0.00%).~~

"***Lien***" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, hypothecation, charge or security interest in or on such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party (excluding rights of first refusal) with respect to such securities.

"***Loans***" shall mean the loans made by the Lenders to the Borrower pursuant to this Agreement, including each Revolving Loan, each Swingline Loan and each Competitive Bid Loan.

"~~"~~***Loan Documents***~~"~~" shall mean (a) this Agreement, (b) [Reserved] (c) any Loan Modification Agreement, if requested by a Lender pursuant to Section 2.08(a), (d) each Note, (e) the Fee Letters, (f) if applicable, any Designation Agreements and Designated Bank Notes, (g) each Designation Letter and each Termination Letter and (h) each other document or instrument now or hereafter executed and delivered by a Loan Party in connection with, pursuant to or relating to this Agreement, excluding Hedging Agreements and Cash Management Agreements."

"***Loan Modification Agreement***" shall mean a Loan Modification Agreement in form and substance reasonably satisfactory to the Administrative Agent, the Borrower and the applicable Accepting Lenders, among the Borrower, the other Loan Parties, such Accepting Lenders and the Administrative Agent.

"***Loan Modification Offer***" shall have the meaning assigned to such term in Section 2.28(a).

"'***Loan Parties***' shall mean the Company and any Designated Borrower."

"***London Banking Day***" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

"***Margin Stock***" shall mean "margin stock" or "margin securities" as such terms are defined in Regulation T, Regulation U and Regulation X.

"***Market Index Rate***" shall mean, with respect to any Swingline Loan, as of any date of determination (a) prior to the USD LIBOR Transition Date, the rate for 1 month dollar deposits as reported on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Swingline Lender from time to time for purposes of providing quotations of interest rates applicable to deposits in the applicable currency in the London interbank market) as of 11:00 a.m., London time, on such day, or if such day is not a Business Day, then the immediately preceding Business Day (or if not so reported, then as determined by the Swingline Lender from another recognized source or interbank quotation), as such rate may fluctuate on a daily basis or (b) from and after the USD LIBOR Transition Date, the Benchmark for Loans denominated in Dollars as of the Reference Time on such day (and, if the Benchmark on such day is Term RFR for Dollars, using the Benchmark for a 1 month Interest Period on such day), or if such day is not a Business Day, then the immediately preceding Business Day (or if not so reported, then as determined by the Swingline Lender from another recognized source), as such rate may fluctuate on a daily basis; *provided, however*, that for the avoidance of doubt, in no circumstance shall the Market Index Rate be less than the Floor.

"***Material Acquisition***" shall mean any acquisition by the Borrower directly or indirectly through any Subsidiary or by any of its Subsidiaries (in each case, other than by a Domestic Subsidiary that is not a Restricted Subsidiary), in a single transaction or in a series of related transactions, of any of (a) all or any substantial portion of the property of, or a line of business or division of, or any other property of, another Person, (b) one or more properties from another Person, or (c) at least a majority of the voting Capital Stock of another Person, in any such case whether or not involving a merger or consolidation with such other Person, in which the gross purchase price of the assets acquired in such acquisition is greater than or equal to $750,000,000.

"***Material Adverse Effect***" shall mean a materially adverse effect on the business, operations, assets, property or financial condition of the Borrower, its Domestic Subsidiaries that are Restricted Subsidiaries, and its Foreign Subsidiaries, taken as a whole.

"***Maturity Date***" shall mean the earliest to occur of (a) the Initial Maturity Date, as such date may be extended in accordance with Section 2.16, (b) the date of termination of the Commitments by the Borrower pursuant to Section 2.06, (c) the date of termination of the Commitments by the Administrative Agent on behalf of the Lenders pursuant to Article VII or (d) the automatic termination of the Commitments pursuant to clause (g) or (h) of Article VII. The parties acknowledge that the Initial Maturity Date has been extended with respect to certain of the Lenders pursuant to Section 2.16 as evidenced by three separate extension confirmation letters delivered in accordance with Section 2.16 by the Administrative Agent to the Borrower dated as of July 2, 2019, August 12, 2020 and ________, 2021[2], respectively.

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

"***Multiemployer Plan***" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate (other than one considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code) is making or accruing an obligation to make contributions, or has within any of the preceding six (6) plan years made or accrued an obligation to make contributions.

“***New Lender***” shall have the meaning set forth in Section 2.16(d).

“***New Maturity Date***” shall have the meaning set forth in Section 2.16(a).

“***Non-Consenting Lender***” shall mean any Lender that has not consented to any proposed amendment, modification, waiver or termination of any Loan Document which, pursuant to Section 9.08(b), requires the consent of all Lenders or all affected Lenders and with respect to which the Required Lenders shall have granted their consent.

“***Non-Defaulting Lender***” shall mean, at any time, any Lender that is not a Defaulting Lender at such time.

“***Non-Extending Lender***” shall have the meaning set forth in Section 2.16(a).

“***Non-Recourse***” shall mean, with reference to any obligation or liability of any person, any obligation or liability for which such person is not liable or obligated other than, if at all, as to its interest in a specifically identified asset only, subject to such limited exceptions to the non-recourse nature of such obligation or liability, such as fraud, misappropriation, misapplication and environmental indemnities, as are usual and customary in like transactions involving institutional lenders at the time of the incurrence of such obligation or liability.

“***Non-Recourse Guarantee***” shall mean a Guarantee of limited exceptions to Non-Recourse Indebtedness such as fraud, misappropriation, misapplication and environmental indemnities, as are usual and customary in like transactions involving institutional lenders at the time of the incurrence of such Guarantee.

“***Note***” shall mean shall mean a promissory note of the Borrower payable to the order of any Lender, in substantially the form of Exhibit E hereto, evidencing the indebtedness of the Borrower to such Lender under the Facility.

“***Notice of Account Designation***” shall have the meaning set forth in the definition of “Borrower’s Account”.

“***Notice of Borrowing***” shall have the meaning assigned thereto in Section 2.03(a).

“***Notice of Conversion/Continuation***” shall have the meaning assigned thereto in Section 2.10.

“***Notice of Prepayment***” shall have the meaning assigned thereto in Section 2.05(c).

“~~‘~~***Obligations***~~’~~” shall mean (a) the Borrower’s obligations in respect of the due and punctual payment of principal of and interest on the Loans, in each case when and as due whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (b) all fees, expenses, indemnities, reimbursements and other obligations, monetary or otherwise, of the Borrower under this Agreement or any other Loan Document, (c) all obligations, monetary or otherwise, of each Loan Party under each Loan Document to which it is a party and (d) unless otherwise agreed upon in writing by the applicable Lender party thereto, all Hedging Obligations and Cash Management Obligations.”

“***Participating Member State***” shall mean each state so described in any EMU Legislation.

“***PATRIOT Act***” shall mean the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended.

“***Payment in Full***” shall mean, with respect to any Obligations, (a) the payment in full in cash of all such Obligations (other than (i) contingent indemnification obligations to the extent no claim giving rise thereto has been asserted and (ii) Hedging Obligations and Cash Management Obligations that, at the time of determination, are allowed by the Person to whom such Obligations are owing to remain outstanding or are not required to be repaid or cash collateralized pursuant to the provisions of any document governing the applicable Hedging Obligations or Cash Management Obligations), and (b) the termination or expiration of all of the Commitments.

“***PBGC***” shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"***Permitted Alternative Currency***" shall mean (a) Euros, Sterling, Australian Dollars and Canadian Dollars and (b) if approved in accordance with Section 1.05, any Alternative Currency.

"***Permitted Amendments***" shall have the meaning assigned to such term in Section 2.28(c).

"***Permitted Corporate Transaction***" shall mean that transaction disclosed to the Administrative Agent prior to the Closing Date (as defined in the Existing Agreement).

"***Permitted Currency***" shall mean Dollars or any Permitted Alternative Currency, or each such currency, as the context requires.

"***Permitted Holder***" shall mean (a) (i) all lineal descendants of Stewart W. Bainum, and all spouses and adopted children of such descendants, (ii) all trusts for the benefit of any person described in clause (i) and trustees of such trusts, (iii) all legal representatives of any person or trust described in clauses (i) and (ii), and (iv) all partnerships, corporations, limited liability companies or other entities controlled by a Person described in clauses (i), (ii) or (iii) (such persons referred to in this clause (a) collectively, "***Bainum Affiliates***"); or (b) any other Existing Stockholder.

"***Permitted Liquid Investments***" shall mean (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), (b) investments in commercial paper having credit ratings of at least A-2 from S&P and P-2 from Moody's, (c) investments in certificates of deposit, bankers acceptances and time deposits issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $200,000,000, (d) investments in the ordinary course of business in customary repurchase agreements with respect to freely marketable, short-term securities of the type customarily subject to repurchase agreements, (e) other readily marketable debt and equity securities traded on national securities exchanges or on other nationally recognized markets, including over-the-counter markets, (f) investments, classified in accordance with GAAP as current assets of the Borrower or any of its Subsidiaries, in money market investment funds or mutual funds, which are administered by reputable financial institutions, and the portfolios of which are limited to investments of the character, quality and maturity described in clauses (a) through (e) above, (g) investments that fail to meet the requirements of clause (f) above solely because such investments do not constitute "current assets" due to their being maintained in irrevocable trusts in connection with the Borrower's sponsorship of non-qualified retirement savings and investment plans for certain employees and senior executives of the Borrower and (h) readily marketable direct obligations issued by any foreign government or any political subdivision or public instrumentality thereof, in each case having a rating of BBB- or better from S&P or Baa3 or better from Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency) with maturities of 12 months or less from the date of acquisition.

"***Permitted Non-Arms-Length Unrestricted Subsidiary Investments***" shall mean loans, advances, capital contributions, guarantees and other investments by the Borrower or any Restricted Subsidiary in, to or for the benefit of any Unrestricted Subsidiary that are not on an Arms-Length Basis, so long as such loans, advances, capital contributions, guarantees and other investments, when taken together with all other loans, advances, capital contributions, guarantees and other investments in, to or for the benefit of any Unrestricted Subsidiaries that are not on an Arms-Length Basis made pursuant to this definition that are at the time outstanding, do not exceed the greater of (x) $100,000,000 and (y) ten percent (10.00%) of Consolidated Total Assets at such time, calculated on the basis of amounts actually loaned, advanced, contributed, invested or guaranteed, net of any return on investment or return of capital with respect thereto and without regard to any write-up or write-down of the value thereof.

"***Person***" shall mean any natural person, corporation, trust, joint venture, association, company, limited liability company, partnership or government, or any agency or political subdivision thereof.

"***Plan***" shall mean any pension plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code which is maintained for employees of the Borrower or any ERISA Affiliate.

"***Platform***" shall have the meaning given such term in Section 5.04.

"***Preferred Interests***" shall mean, with respect to any Person, Capital Stock issued by such Person that are entitled to a preference or priority over any other Capital Stock issued by such Person upon any distribution of such Person's property and assets, whether by dividend or upon liquidation.

"***Pricing Grid***" shall have the meaning set forth in the definition of "Applicable Percentage".

"***Principal Property***" shall have the meaning set forth in the Indenture.

"***Principal Property Subsidiary***" shall mean a "Restricted Subsidiary", as such term is defined in the Indenture.

"***Pro Rata Percentage***" of any amount shall mean, with respect to any Lender at any time, the product of such amount times a fraction the numerator of which is the amount of such Lender's Commitment at such time (or, if the Commitments shall have expired or been terminated, such Lender's Facility Exposure at such time) and the denominator of which is the aggregate amount of the Lenders' Commitments at such time (or, if the Commitments shall have expired or been terminated, the aggregate Facility Exposure at such time).

"***Proposed Additional Commitment***" shall have the meaning set forth in Section 2.16(a)(ii).

"***Proprietary Information***" shall have the meaning given such term in Section 9.15.

"***PTE***" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"***Public Lender***" shall have the meaning given such term in Section 5.04.

"***QFC***" has the meaning specified in Section 9.21(b).

"***QFC Credit Support***" has the meaning specified in Section 9.21.

"***Qualified Securitization Financing***" means any Securitization Financing of a Securitization Subsidiary that meets the following conditions: (x) the board of directors of the Borrower shall have determined in good faith that such Securitization Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Borrower and the Securitization Subsidiary and (y) all sales and/or contributions of Securitization Assets and related assets to the Securitization Subsidiary are made at fair market value (as determined in good faith by the Borrower).

"***Recourse***" shall mean, with reference to any obligation or liability of any person, any liability or obligation that is not Non-Recourse to such person.

"***Reference Bank***" shall mean the Administrative Agent.

"***Reference Time***" with respect to any setting of the then-current Benchmark for any Permitted Currency means (a) if such Benchmark is a Daily Simple RFR, (i) if the RFR for such Benchmark is SOFR, then four (4) RFR Business Days prior to (A) if the date of such setting is an RFR Business Day, such date or (B) if the date of such setting is not an RFR Business Day, the RFR Business Day immediately preceding such date and (ii) if the RFR for such Benchmark is SONIA, then four (4) RFR Business Days prior to (A) if the date of such setting is an RFR Business Day, such date or (B) if the date of such setting is not an RFR Business Day, the RFR Business Day immediately preceding such date, (b) if such Benchmark is the Adjusted LIBO Rate, then 11:00 a.m. (London time) on the day that is two Business Days preceding the date of such setting, (c) if such Benchmark is EURIBOR, then 11:00 a.m. (Brussels time) on the day that is two Business Days preceding the date of such setting, (d) if such Benchmark is CDOR, then 10:00 a.m. (Toronto time) on such date or, if such date is not a Business Day, then on the immediately preceding Business Day, (e) if such Benchmark is BBSY, then 10:30 a.m. (Sydney time) on the first day of such Interest Period for a term having a tenor closest to such Interest

Period, and (f) otherwise, then the time determined by the Administrative Agent, including in accordance with the Benchmark Replacement Conforming Changes.

"***Register***" shall have the meaning given such term in Section 9.04(d).

"***Regulation D***" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation T***" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation U***" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation X***" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Relevant Governmental Body***" means (a) with respect to a Benchmark Replacement in respect of Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Dollars, the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto and (b) with respect to a Benchmark Replacement in respect of Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, any Permitted Alternative Currency, (1) the central bank for the Permitted Currency in which such Obligations, interest, fees, commissions or other amounts are denominated, or calculated with respect to, or any central bank or other supervisor which is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement or (2) any working group or committee officially endorsed or convened by (A) the central bank for the Permitted Currency in which such Obligations, interest, fees, commissions or other amounts are denominated, or calculated with respect to, (B) any central bank or other supervisor that is responsible for supervising either (i) such Benchmark Replacement or (ii) the administrator of such Benchmark Replacement, (C) a group of those central banks or other supervisors or (D) the Financial Stability Board or any part thereof.

"***Reportable Event***" shall mean any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than a Plan maintained by an ERISA Affiliate which is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code).

"***Required Lenders***" shall mean, at any time, Lenders having Commitments representing at least a majority of the aggregate Commitments or, if the Commitments have been terminated, Lenders holding Loans representing at least a majority of the aggregate principal amount of the Loans then outstanding, *provided* that the Commitment of, and the portion of the Loans, as applicable, held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"***Resolution Authority***" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"***Responsible Officer***" of any Person shall mean any executive officer or Financial Officer of such Person and any other officer or similar official thereof responsible for the administration of the obligations of such Person in respect of this Agreement.

"***Restricted Payment***" shall have the meaning assigned to such term in Section 6.10.

"***Restricted Subsidiary***" shall mean all Subsidiaries of the Borrower that are not Unrestricted Subsidiaries.

"***Revolving Loan***" shall mean any revolving loan made to the Borrower pursuant to Section 2.01(a), and all such revolving loans as the context requires.

"***RFR***" means, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, (a) Dollars, on and after the USD LIBOR Transition Date, SOFR and (b) Sterling, SONIA.

"***RFR Administrator***" means the SOFR Administrator or the SONIA Administrator, as applicable.

"***RFR Business Day***" means, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, (a) Dollars, on and after the USD LIBOR Transition Date, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities and (b) Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day which is not a London Business Day; *provided*, that for purposes of notice requirements herein, in each case, such day is also a Business Day.

"***RFR Loan***" means a Daily Simple RFR Loan or a Term RFR Loan, as the context may require.

"***RFR Rate Day***" has the meaning specified in the definition of "Daily Simple RFR".

"***S&P***" shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

"***Sale and Lease-Back Transaction***" shall mean any arrangement, directly or indirectly, with any person whereby such person shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"***Sanctions***" shall mean any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"***Screen Rate***" shall have the meaning set forth in Section 2.17(a).

"***Securitization Assets***" means the accounts receivable, financing receivables, other receivables, royalty or other revenue streams and other rights to payment and any other assets related thereto subject to a Qualified Securitization Financing and the proceeds thereof.

"***Securitization Fees***" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Securitization Subsidiary in connection with any Qualified Securitization Financing.

"***Securitization Financing***" means any of one or more receivables or securitization financing facilities as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the obligations of which are Non-Recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Borrower or any of its Restricted Subsidiaries (other than a Securitization Subsidiary) pursuant to which the Borrower or any of its Restricted Subsidiaries sells or grants a security interest in Securitization Assets to, or for the benefit of, either (a) a Person that is not a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells or otherwise transfers or grants a security interest in Securitization Assets to, or for the benefit of, a Person that is not a Restricted Subsidiary.

"***Securitization Subsidiary***" means any Subsidiary formed for the purpose of, and that solely engages only in one or more Qualified Securitization Financing and other activities reasonably related thereto.

"***Share***" shall have the meaning set forth in Section 2.16(d).

"***Sharing Event***" shall mean (a) the occurrence of an Event of Default with respect to the Borrower or a Restricted Subsidiary pursuant to clause (g) or (h) of Article VII, (b) the termination of the Commitments pursuant to Article VII or (c) the acceleration of the Loans pursuant to Article VII.

"***SOFR***" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"***SOFR Administrator***" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"***SOFR Administrator's Website***" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"***SONIA***" means a rate equal to the Sterling Overnight Index Average as administered by the SONIA Administrator.

"***SONIA Administrator***" means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

"***SONIA Administrator's Website***" means the Bank of England's website, currently at http://www.bankofengland.co.uk, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

"***Spot Exchange Rate***" shall mean on the day two (2) Business Days prior to any calculation date with respect to any Permitted Alternative Currency (a) the rate appearing on Reuters Screen LIBOR01 or the applicable Reuters Screen Page (or such other relevant display page as determined by the Administrative Agent) for the sale or purchase, as applicable, of such Permitted Alternative Currency for Dollars in the London foreign exchange market at approximately 11:00 a.m. London time for purchase or delivery two (2) days later, or, if not available, (b) the spot selling rate or purchasing rate, as applicable, at which the Administrative Agent's Correspondent offers to sell or purchase such Permitted Alternative Currency for Dollars in the London foreign exchange market at approximately 11:00 a.m. London time for delivery two (2) Business Days later; *provided*, *however*, that if, at the time of any such determination, no such spot rate can reasonably be quoted, the Administrative Agent may use any method (including obtaining quotes from two (2) or more market makers for the applicable Permitted Alternative Currency) as it deems applicable to determine such rate, and such determination shall be conclusive absent manifest error.

"***Spread Adjusted SOFR***" means with respect to any RFR Business Day, a rate per annum equal to the sum of (a) the secured overnight financing rate for such RFR Business Day plus (b) 0.11448% (11.448 basis points).

"***Spread Adjusted Term SOFR***" means, for any Available Tenor and Interest Period, a rate per annum equal to the sum of (a) the forward-looking term rate for a period comparable to such Available Tenor based on the SOFR that is published by an authorized benchmark administrator and is displayed on a screen or other information service, each as identified or selected by the Administrative Agent in its reasonable discretion at approximately a time and as of a date prior to the commencement of such Interest Period determined by the Administrative Agent in its reasonable discretion in a manner substantially consistent with market practice and (b) (i) 0.11448% (11.448 basis points) for an Available Tenor of one-month's duration, (ii) 0.26161% (26.161 basis points) for an Available Tenor of three-months' duration, and (iii) 0.42826% (42.826 basis points) for an Available Tenor of six-months' duration.

"***Spread Adjusted SONIA***" means with respect to any RFR Business Day, a rate per annum equal to the sum of (a) SONIA for such RFR Business Day plus (b) 0.0326% (3.26 basis points).

"***Statutory Reserve Rate***" 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) established by any central bank, monetary authority, the Board, the Financial Services Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in the applicable currency, expressed in the case of each such requirement as a decimal. Such reserve percentages shall, in the case of Dollar denominated Loans, include those imposed pursuant to Regulation D. Eurodollar Loans or ~~EURIBOR~~ Loans denominated in Euros shall be deemed to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"***Sterling***" shall mean, at any date of determination, the lawful currency of the United Kingdom.

"***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 Capital Stock or other Capital Stock having ordinary voting power for the election of directors (or the equivalent) is, at the time as of which any determination is being made, directly or indirectly 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***" shall mean any subsidiary of the Borrower.

"***Supported QFC***" has the meaning specified in Section 9.21.

"***Swingline Commitment***" shall mean the lesser of (a) $25,000,000 and (b) the aggregate Commitments of all Lenders.

"***Swingline Lender***" shall have the meaning specified in the recital of parties to this Agreement.

"***Swingline Loan***" shall mean any swingline loan made by the Swingline Lender to the Borrower pursuant to Section 2.02, and all such swingline loans collectively, as the context requires.

"***Swingline Resignation Date***" shall have the meaning assigned to such term in Section 9.04(l).

"***Syndication Agent***" shall have the meaning specified in the recital of parties to this Agreement.

"***TARGET***" shall mean Trans-European Automated Real-time Gross Settlement Express Transfer payment system (or, if such system ceases to be operative, such other payment system (if any) determined by the Administrative Agent to be a suitable replacement).

"***TARGET Day***" shall mean any day on which TARGET is open for the settlement of payments in Euro.

"***Taxes***" shall have the meaning assigned to such term in Section 2.20(a).

"***Term RFR***" means, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Dollars, for any Interest Period, a rate per annum equal to the greater of (a) Spread Adjusted Term SOFR and (b) the Floor.

"***Term RFR Loan***" means a Loan that bears interest at a rate based on Term RFR other than pursuant to clause (c) of the definition of "Alternate Base Rate".

"***Term RFR Notice***" means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term RFR Transition Event.

"***Term RFR Transition Date***" means, in the case of a Term RFR Transition Event, the date that is 30 (thirty) calendar days after the Administrative Agent has provided the related Term RFR Notice to the Lenders and the Borrower pursuant to Section 2.32(a)(iii).

"***Term RFR Transition Event***" means, with respect to any Permitted Currency for any Interest Period, the determination by the Administrative Agent that (a) the applicable Term RFR for such Permitted Currency is determinable for each Available Tenor, (b) the administration of such Term RFR is administratively feasible for the Administrative Agent, (c) the RFR Administrator publishes, publicly announces or makes publicly available that such Term RFR is administered in accordance with the International Organization of Securities Commission's Principles for Financial Benchmarks, (d) such Term RFR is used as a benchmark rate in at least five currently outstanding syndicated credit facilities denominated in the applicable Permitted Currency (and such syndicated credit facilities are identified and are publicly available for review), and (e) such Term RFR is recommended for use by a Relevant Governmental Body.

"***Termination Letter***" has the meaning specified in Section 2.30(d).

"***Termination Value***" shall mean, in respect of any one or more Hedging Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Agreements, (a) for any date on or after the date such Hedging Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedging Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Agreements (which may include a Lender or any Lender Affiliate).

"***Trading with the Enemy Act***" means the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended), and any other enabling legislation or executive order relating thereto.

"***Transactions***" shall have the meaning assigned to such term in Section 3.02.

"***Treaty on European Union***" shall mean the Treaty of Rome of March 25, 1957, as amended by the Single European Act of 1986, the Maastricht Treaty of 1992, and the Amsterdam Treaty of 1998, each as amended from time to time.

"***UK Financial Institution***" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"***UK Resolution Authority***" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"***U.S. Special Resolution Regimes***" has the meaning specified in Section 9.21.

"***Unadjusted Benchmark Replacement***" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"***Unrestricted Subsidiaries***" shall mean (a) all Foreign Subsidiaries of the Borrower, (b) all Domestic Subsidiaries of the Borrower designated in writing to the Administrative Agent on or prior to the Closing Date as unrestricted (until redesignated as a Restricted Subsidiary in accordance with Section 5.09(c)) and (c) such other Subsidiaries as may be designated or redesignated as unrestricted by the Borrower in accordance with Section 5.09(b) or (c).

"***USD LIBOR Transition Date***" means, the earlier of: (a) the date that all Available Tenors of the LIBO Rate have either (i) permanently or indefinitely ceased to be provided by IBA; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of the LIBO Rate or (ii) been announced by the FCA pursuant to public statement or publication of information to be no longer representative and (b) the Early Opt-in Effective Date.

"***WFB***" shall mean Wells Fargo Bank, National Association.

"***Wholly Owned Subsidiary***" shall mean a Subsidiary all the Capital Stock or other ownership interest of which is owned by the Company or a Wholly Owned Subsidiary of the Company (including any Subsidiary that would be wholly owned but for directors' qualifying shares or similar matters).

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

"'***Write-Down and Conversion Powers***' means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers."

a. Terms Generally

. The definitions herein shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP consistently applied, as in effect from time to time; *provided, however*, that, for purposes of determining compliance with any covenant set forth in Article VI, such terms shall be construed in accordance with GAAP as in effect on the date of this Agreement applied on a basis consistent with the application used in preparing the Borrower's audited financial statements referred to in Section 3.05. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

a. Effectiveness of Euro Provisions

. With respect to any state (or the currency of such state) that is not a Participating Member State on the date of this Agreement, the provisions of Sections 2.09(f), 2.15(b), 2.15(c) and 2.23 shall become effective in relation to such state (and the currency of such state) at and from the date on which such state becomes a Participating Member State.

a. Other Definitions and Provisions

.

i. Use of Capitalized Terms. Unless otherwise defined therein, all capitalized terms defined in this Agreement shall have the defined meanings when used in this Agreement and the other Loan Documents or any certificate, report or other document made or delivered pursuant to this Agreement.

ii. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

iii. References to Agreement and Laws. Unless otherwise expressly provided herein, (i) references to formation documents, governing documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Loan Document; and (ii) references to any Applicable Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Applicable Law.

b. Alternative Currencies

. The Borrower may from time to time request that Revolving Loans be made in an Alternative Currency. Any such request shall be made to the Administrative Agent (which shall promptly notify each Lender thereof) not later than 12:00 p.m. (noon) 30 days prior to the date of the desired Revolving Loan. Each Lender shall notify the Administrative Agent, not later than 12:00 p.m. (noon) 15 Business Days after receipt of such request whether it consents, in its sole discretion, to making Revolving Loans in such requested currency. Any failure by a Lender to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Lender to make Revolving Loans in such requested currency. If all of the Lenders consent to making the Revolving Loans in such requested currency, the Administrative Agent shall so notify the Borrower and such currency shall be deemed for all purposes to be a Permitted Alternative Currency hereunder. Upon any Lender's refusal to make Revolving Loans in the requested currency, the Borrower may replace such Lender in accordance with Section 2.26.

A. THE CREDITS

a. Revolving Loans; Competitive Bid Loans

.

i. Revolving Loans. Subject to the terms and conditions of this Agreement, and in reliance upon the representations and warranties set forth herein, each Lender severally agrees to make Revolving Loans in a Permitted Currency to the Borrower from time to time from the Closing Date through, but not including, the Maturity Date as requested by the Borrower in accordance with the terms of Section 2.03, *provided* that based upon the Equivalent Dollar Amount of all outstanding Revolving Loans and Competitive Bid Loans, (i) the aggregate amount of the Commitments shall be deemed used from time to time to the extent of the aggregate amount of the Competitive Bid Loans then outstanding and such deemed use of the aggregate amount of the Commitments shall be allocated among the Lenders ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "***Competitive Bid Reduction***"), (ii) the aggregate principal amount of all outstanding Revolving Loans (after giving effect to any amount requested and the use of the proceeds thereof) shall not exceed the Commitment (as reduced by any Competitive Bid Reduction) *minus* the sum of all outstanding Swingline Loans, (iii) the aggregate principal amount of all outstanding Revolving Loans made in a Permitted Alternative Currency (after giving effect to any amount requested and the use of the proceeds thereof) shall not exceed the Alternative Currency Commitment and (iv) the aggregate principal amount of all outstanding Revolving Loans (after giving effect to any amount requested and the use of the proceeds thereof) from any Lender to the Borrower shall not at any time exceed such Lender's Commitment (as reduced by such Lender's Pro Rata Percentage of any Competitive Bid Reduction) *minus* such Lender's Pro Rata Percentage of outstanding Swingline Loans. Each Revolving Loan by a Lender shall be in a principal amount equal to such Lender's Pro Rata Percentage of the aggregate principal amount of Revolving Loans requested on such occasion. Subject to the terms and conditions hereof, the Borrower may borrow, repay and reborrow Revolving Loans hereunder until the Maturity Date.

ii. Competitive Bid Loans. Subject to the terms and conditions of this Agreement, the Borrower may, prior to the Maturity Date and pursuant to the procedures set forth in Section 2.04, request the Lenders to make offers to make Competitive Bid Loans, *provided* that, based upon the Equivalent Dollar Amount of all outstanding Revolving Loans, the aggregate principal amount of all outstanding Competitive Bid Loans (after giving effect to any amount requested and the use of proceeds thereof) shall not exceed the Commitment *minus* the sum of all outstanding Revolving Loans and Swingline Loans. The Lenders may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in Section 2.04.

iii. Affiliates. Each Lender may, at its option, make any Loan under this Section 2.01 available to the Borrower by causing any foreign or domestic branch or Affiliate of such Lender to make such Loan; *provided*, *however*, that (i) any exercise of such option shall not affect the rights and obligations of the Borrower in accordance with the terms of this Agreement and (ii) nothing in this Section 2.01(c) shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation or warranty by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

b. Swingline Loans

.

1. Availability. Subject to the terms and conditions of this Agreement and the other Loan Documents, and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, the Swingline Lender agrees to make Swingline Loans in Dollars to the Borrower from time to time from the Closing Date through, but not including, the Maturity Date, *provided* that (i) all Swingline Loans shall be denominated in Dollars and (ii) based upon the Equivalent Dollar Amount of all outstanding Revolving Loans, the aggregate principal amount of all outstanding Swingline Loans (after giving effect to any amount requested and the use of proceeds thereof), shall not exceed the lesser of (A) the aggregate Commitments of all Lenders *minus* the sum of all outstanding Revolving Loans and Competitive Bid Loans and (B) the Swingline Commitment.
2. Refunding.
   i. Swingline Loans shall be refunded by the Lenders on demand by the Swingline Lender (with a copy to the Administrative Agent). Such refundings shall be made by the Lenders in accordance with each Lender's Pro Rata Percentage and shall thereafter be reflected as Revolving Loans of the Lenders on the books and records of the Administrative Agent. Each Lender shall fund its respective Pro Rata Percentage of Revolving Loans as required to repay Swingline Loans outstanding to the Swingline Lender upon demand by the Swingline Lender but in no event later than 1:00 p.m. on the next succeeding Business Day after such demand is made and Swingline Lender shall notify the Administrative Agent within one (1) Business Day of receipt of such refundings. No Lender's obligation to fund its respective Pro Rata Percentage of a Swingline Loan shall be affected by any other Lender's failure to fund its Pro Rata Percentage of a Swingline Loan, nor shall any Lender's Commitment or Pro Rata Percentage be increased as a result of any such failure of any other Lender to fund its Pro Rata Percentage of a Swingline Loan.
   ii. The Borrower shall pay to the Swingline Lender on demand the amount of such Swingline Loans to the extent amounts received from the Lenders are not sufficient to repay in full the outstanding Swingline Loans requested or required to be refunded and Swingline Lender shall notify the Administrative Agent within one (1) Business Day of receipt of such payment. In addition, the Borrower hereby authorizes the Administrative Agent to charge any account maintained by the Borrower with the Swingline Lender (up to the amount available therein) in order to immediately pay the Swingline Lender the amount of such Swingline Loans to the extent amounts received from the Lenders are not sufficient to repay in full the outstanding Swingline Loans requested or required to be refunded. If any portion of any such amount paid to the Swingline Lender shall be recovered by or on behalf of the Borrower from the Swingline Lender in bankruptcy or otherwise, the loss of the amount so recovered shall be ratably shared among all the Lenders in accordance with their respective Pro Rata Percentages (unless the amounts so recovered by or on behalf of the Borrower pertain to a

Swingline Loan extended after the occurrence and during the continuance of an Event of Default of which the Administrative Agent has received notice in the manner required pursuant to Section 8.05 and such notice was provided to the Swingline Lender prior to the extension of such Swingline Loan and which such Event of Default has not been waived by the Required Lenders or the Lenders, as applicable).

iii. Each Lender acknowledges and agrees that its obligation to refund Swingline Loans in accordance with the terms of this Section is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, non-satisfaction of the conditions set forth in Article IV. Further, each Lender agrees and acknowledges that if prior to the refunding of any outstanding Swingline Loans pursuant to this Section, one of the events described in clauses (g) or (h) of Article VII shall have occurred, each Lender will, on the date the applicable Revolving Loan would have been made, purchase an undivided participating interest in the Swingline Loan to be refunded in an amount equal to its Pro Rata Percentage of the aggregate amount of such Swingline Loan. Each Lender will immediately transfer to the Swingline Lender, in immediately available funds, the amount of its participation and upon receipt thereof the Swingline Lender will deliver to such Lender a certificate evidencing such participation dated the date of receipt of such funds and for such amount (with a copy to the Administrative Agent). Whenever, at any time after the Swingline Lender has received from any Lender such Lender's participating interest in a Swingline Loan, the Swingline Lender receives any payment on account thereof, the Swingline Lender will distribute to such Lender its participating interest in such 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 Swingline Lender shall copy the Administrative Agent on all correspondence with any Lender regarding such distributions and notify the Administrative Agent within one (1) Business Day of receipt of such distributions.

iv. The Borrower shall repay to the Swingline Lender the outstanding principal amount of each Swingline Loan on or before the earliest of (A) demand made to the Borrower pursuant to Section 2.02(b)(ii), (B) the thirtieth (30th) day after the date such Swingline Loan was funded by the Swingline Lender and (C) the Maturity Date.

1. Defaulting Lenders. Notwithstanding anything to the contrary contained in this Section 2.02, the Swingline Lender shall not be obligated to make any Swingline Loan at a time when any other Lender is a Defaulting Lender, unless the Swingline Lender has entered into arrangements with the Borrower or such Defaulting Lender that are reasonably satisfactory to the Swingline Lender to eliminate the Swingline Lender's Fronting Exposure (after giving effect to Section 2.27(c)) with respect to any such Defaulting Lender, including the delivery of cash collateral.

a. Procedure for Advances of Revolving Loan and Swingline Loans

.

i. Requests for Borrowing. The Borrower shall give the Administrative Agent prior written notice (which notice shall be irrevocable unless the Borrower specifies in the Notice of Borrowing that such requested borrowing is contingent on the consummation of an anticipated transaction, in which case the Borrower shall, as promptly as practicable, notify the Administrative Agent if such transaction will not occur as scheduled) of its intention to borrow substantially in the form attached hereto as Exhibit A-1 (a "***Notice of Borrowing***") not later than (i) 2:00 p.m. on the same Business Day as each ABR Loan, (ii) 2:00 p.m. on the same Business Day as each Swingline Loan, (iii) 12:00 p.m. at least three (3) Business Days before each Eurodollar Loan ~~and~~, (iv) 12:00 p.m. at least (3) RFR Business Days before each RFR Loan denominated in Dollars, and (v) subject to Section 1.05, 12:00 p.m. at least four (4) Business Days before each Eurocurrency Loan or RFR Loan denominated in Sterling, is to be made, specifying (A) the date of such borrowing, which shall be a Business Day, (B) with respect to any Loan other than any Swingline Loan, whether the Loan shall be denominated in Dollars or a Permitted Alternative Currency, (C) if such Loan is denominated in Dollars, whether such Loan shall be a Floating Rate Loan or an ABR Loan, (D) the amount of such borrowing, which shall be in an amount equal to the amount of the Commitment or the Alternative Currency Commitment, as applicable, then available to the Borrower, or if less, (1) with respect to ABR Loans and Swingline Loans, in an aggregate principal amount of $100,000 or a whole multiple of $100,000 in excess thereof, and (2) with respect to Eurodollar Loans ~~and~~, Eurocurrency Loans and RFR Loans, in an aggregate principal amount of $3,000,000 or a whole multiple of $1,000,000 (or the Alternative Currency Amount thereof, as applicable) in excess thereof, (E) whether such Loan is to be a Revolving Loan or a Swingline Loan, (F) in the case of a Eurodollar Loan, an RFR Term Loan or a Eurocurrency Loan, the duration of the Interest Period applicable thereto, and (G) with respect to any Loan other than any Swingline Loan, whether the proceeds of such Loan are to be disbursed to the Borrower's Account or the account of the Swingline Lender in connection with the repayment of a Swingline Loan. A Notice of Borrowing received after the applicable deadline set forth above shall be deemed received on the next Business Day. The Administrative Agent shall promptly notify the Lenders of each Notice of Borrowing and shall provide any Notice of Borrowing with respect to a Swingline Loan to the Swingline Lender by 2:00 p.m. on the same Business Day as receipt of such Notice of Borrowing, which notice may be provided via email. For the avoidance of doubt, the Borrower shall promptly reimburse the Lenders for any amounts required to be paid under Section 2.18 as a result of the revocation of any Notice of Borrowing.

ii. Disbursement of Revolving Loans Denominated in Dollars and Swingline Loans. Not later than 4:00 p.m. on the proposed borrowing date for any Revolving Loan denominated in Dollars, each Lender will make available to the Administrative Agent, for the account of the Borrower, at the office of the Administrative Agent in Dollars in funds immediately available to the Administrative Agent, such Lender's Pro Rata Percentage of the Revolving Loan to be made on such borrowing date and the Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of each such borrowing in immediately available funds by crediting or wiring such proceeds to the Borrower's Account or any other account identified by the Borrower in the Notice of Borrowing with respect to such borrowing. Not later than 4:00 p.m. on the proposed borrowing date for any Swingline Loan, the Swingline Lender will make available to the Borrower at the Borrower's Account in immediately available funds the Swingline Loan to be made on such borrowing date. Subject to Section 2.14 hereof, the Administrative Agent shall not be obligated to disburse the portion of the proceeds of any Revolving Loan requested pursuant to Section 2.03(a) to the extent that any Lender has not made available to the Administrative Agent its Pro Rata Percentage of such Revolving Loan. Revolving Loans to be made for the purpose of purchasing interests in Swingline Loans shall be made by the Lenders as provided in Section 2.02(b).

iii. Disbursement of Revolving Loans denominated in a Permitted Alternative Currency. Not later than 11:00 a.m. (in the city in which the Administrative Agent's Correspondent is located) on or before the proposed borrowing date for any Revolving Loan denominated in a Permitted Alternative Currency, each Lender will make available to the Administrative Agent, for the account of the Borrower, at the office of the Administrative Agent's Correspondent in the requested Permitted Alternative Currency in funds immediately available to the Administrative Agent, such Lender's Pro Rata Percentage of the Revolving Loan to be made on such borrowing date. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of each borrowing requested pursuant to this Section 2.03 in immediately available funds by crediting or wiring such proceeds to the Borrower's Account. Subject to Section 2.14, the Administrative Agent shall not be obligated to disburse the portion of the proceeds of any Loan requested pursuant to this Section 2.03 to the extent that any Lender has not made available to the Administrative Agent its Pro Rata Percentage of such Loan.

b. Procedure for Advance of Competitive Bid Loans

.

i. Competitive Bid Request. In order to request Competitive Bids, the Borrower shall deliver to the Administrative Agent a duly completed Competitive Bid Request in the form of Exhibit A-5 hereto (a "***Competitive Bid Request***") to be received by the Administrative Agent not later than 12:00 p.m. (i) five (5) Business Days before each proposed Eurodollar Competitive Bid Loan and (ii) two (2) Business Days before each proposed Fixed Rate Loan, *provided* that the Borrower may not submit more than two (2) Competitive Bid Requests during any period of five (5) consecutive Business Days. Notwithstanding the foregoing, the Borrower may not submit more than six (6) Competitive Bid Requests during any calendar month. No Eurocurrency Loan, RFR Loan denominated in Sterling or 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 form of Exhibit A-5 may be rejected in the Administrative Agent's sole discretion, and the Administrative Agent shall promptly notify the Borrower of such rejection by telephone promptly confirmed by telecopy. Such request shall in each case refer to this Agreement and specify (i) whether the borrowing then being requested is to be a Eurodollar Competitive Bid Loan or a Fixed Rate Loan, (ii) the date of such borrowing (which shall be a Business Day), (iii) the aggregate principal amount of such borrowing which shall be in a minimum principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof, and (iv) the Competitive Bid Interest Periods with respect to each Eurodollar Competitive Bid Loan and each Fixed Rate Loan which Competitive Bid Interest Periods may not expire on a date later than the first Business Day prior to the Maturity Date, *provided* that the Borrower may not request bids for more than three (3) different durations of Competitive Bid Interest Periods in the same Competitive Bid Request. Promptly after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Administrative Agent shall invite by facsimile (in the form set forth in Exhibit A-6 hereto) the Lenders to bid, on the terms and conditions of this Agreement, to make Competitive Bid Loans pursuant to the Competitive Bid Request.

ii. Competitive Bids.

  a. Each Lender may, in its sole discretion, make up to three (3) Competitive Bids to the Borrower in response to a Competitive Bid Request. Each Competitive Bid by a Lender must be received by the Administrative Agent via facsimile, in the form of Exhibit A-7 hereto, (A) not later than 10:30 a.m. three (3) Business Days before any proposed Eurodollar Competitive Bid Loan and (B) not later than 10:30 a.m. on the same Business Day as a proposed Fixed Rate Loan, and any Competitive Bid received by the Administrative Agent after such time can be rejected by the Administrative Agent. Competitive Bids that do not conform substantially to the form of Exhibit A-7 or otherwise include additional conditions to funding shall be rejected by the Administrative Agent and the Administrative Agent shall notify the Lender making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (A) the principal amount of the Competitive Bid Loan or Loans that the Lender is willing to make to the Borrower which shall be in a minimum principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof and may equal the entire principal amount of the Competitive Bid Loan requested by the Borrower, (B) the Competitive Bid Rate or Rates at which the Lender is prepared to make the Competitive Bid Loan or Loans and

(C) the Competitive Bid Interest Period with respect thereto. A Competitive Bid submitted by a Lender pursuant to this Section 2.04(b)(i) shall be irrevocable.

b. If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such bid directly to the Borrower at least one quarter (1/4) of an hour earlier than the latest time at which the other Lenders are required to submit their bids to the Administrative Agent pursuant to Section 2.04(b)(i).

c. The Administrative Agent shall notify the Borrower by email, (A) not later than 11:00 a.m. three (3) Business Days before a proposed Eurodollar Competitive Bid Loan and (B) not later than 11:00 a.m. on the same Business Day of each proposed Fixed Rate Loan, of all the Competitive Bids made, the Competitive Bid Rate or Rates, the principal amount of each Competitive Bid Loan in respect of which a Competitive Bid was made, the Competitive Bid Interest Period applicable to each such Eurodollar Competitive Bid Loan and the identity of the Lender that made each bid. The Administrative Agent shall send a copy of all Competitive Bids to the Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.04.

d. All notices required by this Section 2.04 shall be given in accordance with Section 9.01.

iii. Acceptance/Rejection.

a. The Borrower may, in its sole and absolute discretion, subject only to the provisions of this paragraph (c), accept or reject any Competitive Bid referred to in paragraph (b) above. The Borrower shall notify the Administrative Agent by telephone, confirmed by email in the form of Exhibit A-8 hereto (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 Section 2.04(b), (A) not later than 12:00 p.m. three (3) Business Days before a proposed Eurodollar Competitive Bid Loan and (B) not later than 12:00 p.m. on the day of each proposed Fixed Rate Loan, *provided* that (A) the failure by the Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in Section 2.04(b), (B) the acceptance of bids by the Borrower shall be made on the basis of ascending order (from lowest to highest) of bids for Eurodollar Competitive Bid Loans or Fixed Rate Loans within each Competitive Bid Interest Period and the Borrower shall not accept a bid made at a particular Competitive Bid Rate for a particular Competitive Bid Interest Period if the Borrower has rejected a bid made at a lower Competitive Bid Rate for the same Competitive Bid

Interest Period, (C) if Competitive Bids are made by two (2) or more Lenders for the same Competitive Bid Rate and the same Competitive Bid Interest Period, the principal amount accepted shall be allocated among such Lenders by the Borrower (after consultation with the Administrative Agent) on a *pro rata* basis rounded to the nearest $1,000,000, (D) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request, and (E) no bid shall be accepted for a Competitive Bid Loan unless such Competitive Bid Loan is in a minimum principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof. A notice given by the Borrower pursuant to this Section 2.04(c)(i) shall be irrevocable.

b. The Administrative Agent shall promptly notify each bidding Lender whether or not its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by facsimile, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Bid Loan in respect of which its bid has been accepted.

iv. Disbursement of Competitive Bid Loans. Not later than 2:00 p.m. on the proposed borrowing date, each Lender whose Competitive Bid was accepted will make available to the Administrative Agent, for the account of the Borrower, at the Administrative Agent's Office in funds immediately available to the Administrative Agent, such Lender's Competitive Bid Loan to be made on such borrowing date. After receipt thereof from the applicable Lenders, the Administrative Agent shall disburse not later than 3:30 p.m. the proceeds of each borrowing accepted pursuant to Section 2.04(c) in immediately available funds by crediting such proceeds to the Borrower's Account. The Administrative Agent shall not be obligated to disburse the proceeds of any Competitive Bid Loan accepted pursuant to Section 2.04(c) until the applicable Lender shall have made available to the Administrative Agent its Competitive Bid Loan.

c. Repayment of Loans

.

i. Repayment on the Maturity Date. The Borrower hereby agrees to repay the outstanding principal amount of (i) all Revolving Loans in full in the applicable Permitted Currency in which each Revolving Loan was initially funded on the Maturity Date, (ii) each Competitive Bid Loan on the expiration of the applicable Competitive Bid Interest Period in accordance with Section 2.08(b) and (iii) all Swingline Loans in accordance with Section 2.02(b), together, in each case, with all accrued but unpaid interest thereon. Each Lender agrees, promptly after a request from the Borrower following the Maturity Date, to return to the Borrower any Note issued to such Lender pursuant to this Agreement (including any Designated Bank Notes).

ii. Mandatory Repayment of Revolving Loans.

a. Aggregate Commitments. If at any time (as determined by the Administrative Agent under Section 2.05(b)(iv)), based upon the Equivalent Dollar Amount of all outstanding Revolving Loans, (A) solely because of currency fluctuation, the Administrative Agent notifies the Borrower that the outstanding principal amount of all Revolving Loans exceeds one hundred and five percent (105%) of the aggregate Commitments *minus* the sum of all outstanding Competitive Bid Loans and Swingline Loans or (B) for any other reason, the outstanding principal amount of all Revolving Loans exceeds the aggregate Commitments *minus* the sum of all outstanding Competitive Bid Loans and Swingline Loans, then, in each such case, the Borrower shall (I) first, if (and to the extent) necessary to eliminate such excess, immediately repay outstanding Swingline Loans (and/or reduce any pending request for a borrowing of such Loans on such day by the Equivalent Dollar Amount of such excess), (II), second, if (and to the extent) necessary to eliminate such excess, immediately repay outstanding Revolving Loans which are ABR Loans by the Equivalent Dollar Amount of such excess (and/or reduce any pending request for a borrowing of such Loans on such day by the Equivalent Dollar Amount of such excess), (III) third, if (and to the extent) necessary to eliminate such excess, immediately repay Revolving Loans which are Eurodollar Loans, RFR Loans and Eurocurrency Loans (and/or reduce any pending requests for a borrowing or continuation or conversion of such Loans submitted in respect of such Loans on such day by the Equivalent Dollar Amount of such excess), and (IV) fourth, if (and to the extent) necessary to eliminate such excess, to immediately repay Competitive Bid Loans, in the inverse order of maturity of any such Competitive Bid Loans.

b. Alternative Currency Commitment. If at any time (as determined by the Administrative Agent under Section 2.05(b)(iv)), based upon the Equivalent Dollar Amount of all outstanding Revolving Loans, (A) solely because of currency fluctuation, the Administrative Agent notifies the Borrower that the outstanding principal amount of all Revolving Loans denominated in a Permitted Alternative Currency exceeds the lesser of (1) one hundred and five percent (105%) of the aggregate Commitments of all Lenders *minus* the sum of all outstanding Revolving Loans denominated in Dollars and Competitive Bid Loans and Swingline Loans and (2) one hundred and five percent (105%) of the Alternative Currency Commitment or (B) for any other reason, the outstanding principal amount of all

Alternative Currency Loans exceeds the lesser of (1) the aggregate Commitments of all Lenders *minus* the sum of all outstanding Revolving Loans denominated in Dollars, Competitive Bid Loans and Swingline Loans and (2) the Alternative Currency Commitment, then, in each such case, such excess shall be immediately repaid in the currency in which such Revolving Loan(s) were initially funded by the Borrower to the Administrative Agent for the account of the Lenders.

c. Swingline Commitment. If at any time (as determined by the Administrative Agent under Section 2.05(b)(iv)), based upon the Equivalent Dollar Amount of all outstanding Revolving Loans, and for any reason the outstanding principal amount of all Swingline Loans exceeds the lesser of (A) the aggregate Commitments of all Lenders *minus* the sum of all outstanding Revolving Loans and Competitive Bid Loans and (B) the Swingline Commitment, then, in each such case, such excess shall be immediately repaid by the Borrower to the Administrative Agent for the account of the Lenders.

d. Compliance and Payments. The Borrower's compliance with this Section 2.05(b) shall be tested from time to time by the Administrative Agent at its sole discretion, but in any event shall be tested on the date on which the Borrower requests the Lenders to make a Revolving Loan under Section 4.01. All determinations of the outstanding principal amount of Loans shall be based on their Equivalent Dollar Amounts. To determine this, on such testing dates, the Administrative Agent shall determine the Spot Exchange Rate with respect to each Eurocurrency Loan and each RFR Loan denominated in Sterling. Each such repayment pursuant to this Section 2.05(b) shall be accompanied by any amount required to be paid pursuant to Section 2.18 hereof. In order to permit the Administrative Agent to determine the Borrower's compliance pursuant to this Section, upon the request of the Administrative Agent, the Swingline Lender shall confirm for the Administrative Agent via telephone or email the principal amount of any Swingline Loans then outstanding.

e. If (i) the obligations of the Company under Article X with respect to any outstanding Guaranteed Obligations owing by any Designated Borrower (herein, the "***Affected Borrower***") shall for any reason (x) be terminated, (y) cease to be in full force and effect or (z) not be the legal, valid and binding obligations of the Company enforceable against the Company in accordance with its terms, and (ii) such condition continues unremedied for 15 days after written notice thereof shall have been given to the

Company by the Administrative Agent or any Lender, then the Affected Borrower shall, no later than the 15th day after the date of such notice, prepay (and the Company shall cause to be prepaid) the full principal of and interest on the Loans owing by such Affected Borrower and all other amounts whatsoever payable hereunder by such Affected Borrower (including, without limitation, all amounts payable under Section 2.18 as a result of such prepayment).

iii. Optional Repayments. The Borrower may at any time and from time to time repay the Loans, in whole or in part, upon at least four (4) Business Days' notice to the Administrative Agent with respect to Eurocurrency Loans and RFR Loans denominated in Sterling, upon at least three (3) Business Days' notice to the Administrative Agent with respect to Eurodollar Loans, RFR Loans denominated in Dollars and Competitive Bid Loans and upon notice received no later than 2:00 p.m. (Eastern time) on the proposed date of repayment with respect to ABR Loans and Swingline Loans, substantially in the form attached hereto as Exhibit A-3 (a "***Notice of Prepayment***") (which notices shall be irrevocable unless the Borrower specifies in the Notice of Prepayment that such prepayment is contingent on the consummation of an anticipated transaction, in which case the Borrower shall, as promptly as practicable, notify the Administrative Agent if such transaction will not occur as scheduled), specifying (i) the date of repayment, (ii) the amount of repayment, (iii) whether the repayment is of the Revolving Loans, Competitive Bid Loans, Swingline Loans, or a combination thereof, and, if of a combination thereof, the amount allocable to each and (iv) whether the repayment is of Eurocurrency Loans, Floating Rate Loans, RFR Loans denominated in Sterling, ABR Loans, or a combination thereof, and, if of a combination thereof, the amount allocable to each. Upon receipt of such notice, the Administrative Agent shall promptly notify each Lender. If any such notice is given, the amount specified in such notice shall be due and payable on the date set forth in such notice. Partial repayments shall be in an aggregate amount of (i) $100,000 or a whole multiple of $100,000 in excess thereof with respect to ABR Loans and Swingline Loans, (ii) $3,000,000 or a whole multiple of $1,000,000 in excess thereof with respect to Eurodollar Loans, RFR Loans and Eurocurrency Loans (based upon the Alternative Currency Amount thereof) and (iii) $1,000,000 or a whole multiple of $1,000,000 in excess thereof with respect to Competitive Bid Loans. Each such repayment shall be accompanied by any amount required to be paid pursuant to Section 2.05(d). For the avoidance of doubt, the Borrower shall promptly reimburse the Lenders for any amounts required to be paid under Section 2.18 as a result of the revocation of any Notice of Prepayment.

iv. Limitation on Repayment of Certain Loans. The Borrower may not repay any Eurodollar Loan, any Term RFR Loan, any Eurocurrency Loan or any Competitive Bid Loan on any day other than on the last day of the Interest Period or Competitive Bid Interest Period applicable thereto unless such repayment is accompanied by any amount required to be paid pursuant to Section 2.18 hereof.

v. Hedging Agreements and other Borrowings. No repayment or prepayment pursuant to this Section 2.05 shall affect any of the Borrower's obligations under any Hedging Agreement or any of the Borrower's right to obtain other Loans.

vi. Payment of Interest and Other Expenses. Each repayment or prepayment pursuant to this Section 2.05 shall be accompanied by accrued interest on the amount repaid.

d. Permanent Reduction of the Commitments and the Alternative Currency Commitment

.

i. Voluntary Reduction. The Borrower shall have the right at any time and from time to time, upon at least five (5) Business Days prior written notice to the Administrative Agent (which notice may be contingent on the consummation of an anticipated transaction, in which case the Borrower shall, as promptly as practicable, notify the Administrative Agent if such transaction will not occur as scheduled), to permanently reduce, without premium or penalty, (i) the entire Commitment at any time or (ii) portions of the Commitment, from time to time, in an aggregate principal amount not less than $5,000,000 or any whole multiple of $1,000,000 in excess thereof. Any such reduction shall (A) permanently reduce the Lenders' Commitments *pro rata* in accordance with their respective Pro Rata Percentages and (B) permanently reduce the Alternative Currency Commitment *pro rata* in accordance with the relative amount of the Alternative Currency Commitment and the Commitment.

ii. Corresponding Payments. Each permanent reduction permitted pursuant to this Section 2.06 shall be accompanied by a payment of principal sufficient to reduce (i) the aggregate Equivalent Dollar Amount of all outstanding Revolving Loans and Swingline Loans, as applicable, after such reduction to the Commitment as so reduced and (ii) to the extent that the Alternative Currency Commitment is reduced, the aggregate Equivalent Dollar Amount of all outstanding RFR Loans denominated in Sterling and all Eurocurrency Loans to the Alternate Currency Commitment as so reduced. Any reduction of the Commitment to zero shall be accompanied by payment of all outstanding Revolving Loans, Competitive Bid Loans and Swingline Loans and shall result in the termination of the Commitment. If the reduction of the Commitment or the Alternative Currency Commitment, as applicable, requires the repayment of any Eurodollar Loan, any RFR Loan, any Eurocurrency Loan or any Competitive Bid Loans bearing interest at any ~~Applicable Reference Rate~~Benchmark, such repayment shall be accompanied by any amount required to be paid pursuant to Section 2.18 hereof.

e. Fees

.

i. Facility Fee. The Borrower shall pay a facility fee (the "***Facility Fee***") from the Effective Date at the Applicable Percentage as set forth under the title "Facility Fee" in the Pricing Grid, times the actual daily amount of each Lender's Commitment, regardless of usage. The Facility Fee will be payable quarterly in arrears on the last Business Day of each calendar quarter commencing on September 30, 2018, and on the Maturity Date. The Facility Fees will be calculated on a 360-day basis.

ii. Administrative Agent's and Other Fees. The Borrower agrees to pay the fees set forth in the Fee Letter in accordance with the terms thereof.

iii. Competitive Bid Processing Fee. For each Competitive Bid Request received by the Administrative Agent hereunder, the Borrower shall pay to the Administrative Agent a competitive bid processing fee of $1,500.00.

f. Evidence of Indebtedness

.

i. Loans. The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Any Lender, through the Administrative Agent, may request that Loans made by it be evidenced by a Note. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns).

ii. Participations. In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Swingline Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

iii. Conclusive Evidence. To the extent no Note has been issued to a Lender, this Agreement shall be deemed to comprise conclusive evidence for all purposes of the indebtedness resulting from the Loans hereunder.

g. Interest on Loans

.

i. Interest Rate Options. Subject to the provisions of this Section 2.09, (i) Revolving Loans denominated in Dollars shall bear interest at (A) the Alternate Base Rate *plus* the Applicable Percentage or (B) the ~~Adjusted LIBO Rate~~Benchmark *plus* the Applicable Percentage, at the election of the Borrower, (ii) Revolving Loans denominated in ~~Sterling shall bear interest at the Adjusted LIBO Rate plus the Applicable Percentage, (iii) Revolving Loans denominated in Euros shall bear interest at EURIBOR *plus* the Applicable Percentage, (iv) Revolving Loans denominated in Canadian Dollars shall bear interest the CDOR Rate *plus* the Applicable Percentage, (v) Revolving Loans denominated in Australian Dollars shall bear interest at BBSY *plus* the Applicable Percentage, (vi) Revolving Loans denominated in any other~~a Permitted Alternative Currency shall bear interest at the ~~LIBO Rate~~applicable Benchmark plus the Applicable

Percentage and (~~vii~~iii) Swingline Loans shall bear interest at the ~~LIBOR~~ Market Index Rate *plus* the Applicable Percentage. The Borrower shall ~~select the rate of interest~~specify the Permitted Currency and Interest Period, if any, applicable to any Loan at the time a Notice of Borrowing is given pursuant to Section 2.03 or at the time a Notice of Conversion/Continuation is given pursuant to Section 2.10. Any Loan or any portion thereof as to which the Borrower has not duly specified ~~an interest rate~~the Permitted Currency and Interest Period (excluding ~~Alternative Currency~~Daily Simple RFR Loans) as provided herein shall be deemed an ABR Loan denominated in Dollars. Requests for ~~Alternative Currency~~Eurodollar Loans, Term RFR Loans or Eurocurrency Loans as to which the Borrower has not duly specified an ~~interest rate and interest period~~Interest Period shall be deemed ~~a~~requests for LIBO Rate ~~Loan~~Loans, Term RFR Loans or Eurocurrency Loans, as applicable, for a one (1) month ~~interest period~~Interest Period. Notwithstanding the foregoing, after the USD LIBOR Transition Date, any requests for Eurodollar Loans shall be deemed requests for RFR Loans denominated in Dollars.

ii. Interest Periods.

a. In connection with each Eurodollar Loan, RFR Term Loan or Eurocurrency Loan, the Borrower, by giving notice at the times described in Section 2.09(a), shall elect an Interest Period to be applicable to such Loan, which Interest Period shall be a period of one (1), ~~two (2),~~ three (3), or six (6) months with respect to each such Loan, *provided* that:

1. the Interest Period shall commence on the date of advance of or conversion to any Eurodollar Loan, Term RFR Loan or Eurocurrency Loan and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;
2. if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next Business Day, *provided* that if any Interest Period with respect to a Eurodollar Loan, Term RFR Loan or Eurocurrency Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;
3. any Interest Period with respect to a Eurodollar Loan, Term RFR Loan or

Eurocurrency Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period; and

4. no Interest Period shall extend beyond the Maturity Date.

b. In connection with each Competitive Bid Loan, the Borrower, by giving notice at the times described in Section 2.04, shall elect an interest period (each, a "***Competitive Bid Interest Period***") applicable to such Competitive Bid Loan, which Competitive Bid Interest Period shall be a period of such duration as accepted by the Borrower pursuant to Section 2.04(c), *provided* that:

1. the Competitive Bid Interest Period for a Fixed Rate Loan shall not be less than seven (7) days nor more than ninety (90) days;
2. the Competitive Bid Interest Period for any Eurodollar Competitive Bid Loan shall be a period of one (1)~~, two (2),~~ or three (3) months;
3. the Competitive Bid Interest Period shall commence on the date of advance of any Competitive Bid Loan;
4. if any Competitive Bid Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next Business Day; and
5. no Competitive Bid Interest Period shall expire on a date later than the first Business Day prior to the Maturity Date.

(iii) There shall be no more than eight (8) Interest Periods in effect at any time.

i. Default Rate. Upon the occurrence and during the continuance of any payment Event of Default, and at the option of the Required Lenders upon the occurrence and during the continuance of any other Event of Default, (i) the Borrower shall no longer have the option to request Eurocurrency Loans ~~and~~, Eurodollar Loans, RFR Loans, Competitive Bid Loans or Swingline Loans, (ii) all outstanding Eurocurrency Loans, RFR Loans and Eurodollar Loans shall bear interest at a rate per annum of two percent (2%) in excess of the rate then applicable to such Loans until the end of the applicable Interest Period and thereafter at a rate equal to two percent (2%) in excess of the rate then applicable to ABR Loans, (iii) all outstanding Competitive Bid Loans shall bear interest at a rate per annum equal to two percent (2%) in excess of the rate then applicable to such

Competitive Bid Loan until the end of the applicable Competitive Bid Interest Period and thereafter of a rate equal to two percent (2%) in excess of the rate then applicable to ABR Loans and (iv) all outstanding ABR Loans, Swingline Loans and other Obligations arising hereunder or under any other Loan Document shall bear interest at a rate per annum equal to two percent (2%) in excess of the rate then applicable to ABR Loans or such other Obligations arising hereunder or under any other Loan Document. Interest at the default rate described in clauses (ii) through (iv) above shall accrue from and after the date on which the Required Lenders elect to impose such rate (or in the case of a payment Event of Default, from and after the occurrence of such Event of Default) and for so long as such event of Default exists. Interest shall continue to accrue on the Loans after the filing by or against the Borrower of any petition seeking any relief in bankruptcy or under any act or law pertaining to insolvency or debtor relief, whether state, federal or foreign.

ii. Interest Payment and Computation. Interest on each ABR Loan and each Swingline Loan shall be payable in arrears on the last Business Day of each calendar quarter commencing September 30, 2018; interest on each Daily Simple RFR Loan shall be payable in arrears on the last Business Day of each calendar month; and interest on each Eurodollar Loan, Term RFR Loan, Eurocurrency Loan and Competitive Bid Loan shall be payable on the last day of each Interest Period or Competitive Bid Interest Period, respectively, applicable thereto, and if such Interest Period extends over three (3) months, at the end of each three (3) month interval during such Interest Period. All computations of interest for ~~Eurocurrency~~Daily Simple RFR Loans ~~denominated in Sterling~~ and for ABR Loans when the Alternate Base Rate is determined by the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest provided hereunder shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365/366-day year).

iii. Maximum Rate. In no contingency or event whatsoever shall the aggregate of all amounts deemed interest under this Agreement charged or collected pursuant to the terms of this Agreement exceed the highest rate permissible under any Applicable Law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such a court determines that the Lenders have charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder shall automatically be reduced to the maximum rate permitted by Applicable Law and the Lenders shall at the Administrative Agent's option (i) promptly refund to the Borrower any interest received by the Lenders in excess of the maximum lawful rate or (ii) apply such excess to the principal balance of the Obligations on a *pro rata* basis. It is the intent hereof that the Borrower not pay or contract to pay, and that neither the Administrative Agent nor any Lender receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by the Borrower under Applicable Law.

iv. Basis of Accrual. Subject to Section 1.03, with respect to the currency of any state that becomes a Participating Member State, the accrual of interest or fees expressed in this Agreement with respect to such currency shall be based upon the applicable convention or practice in the London Interbank Market for the basis of accrual of interest or fees in respect of the Euro, which such convention or practice shall replace such expressed basis effective as of and from the date on which such state becomes a Participating Member State, *provided* that if any Loan in the currency of such state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Loan, at the end of the then current Interest Period.

h. Notice and Manner of Conversion or Continuation of Loans

. Provided that no Default or Event of Default has occurred and is then continuing and subject to the provisions of Section 2.17(a) and Section 2.32, the Borrower shall have the option to (a) convert at any time following the third Business Day after the Closing Date all or any portion of any outstanding ABR Loans in a principal amount equal to $3,000,000 or any whole multiple of $1,000,000 in excess thereof into one or more Eurodollar Loans or, following the USD LIBOR Transition Date, RFR Loans denominated in Dollars, (b) upon the expiration of any Interest Period, convert all or any part of its outstanding Eurodollar Loans (or, following the USD LIBOR Transition Date, Term RFR Loans) in a principal amount equal to $3,000,000 or a whole multiple of $1,000,000 in excess thereof into ABR Loans or (c) upon the expiration of any Interest Period, continue any Eurodollar Loan, Term RFR Loan or Eurocurrency Loan ~~denominated in any Permitted Currency~~ in a principal amount of $3,000,000 or any whole multiple of $1,000,000 in excess thereof (or with respect to Eurocurrency Loans, the Alternative Currency Amount in each case thereof) as a Eurodollar Loan, Term RFR Loan or Eurocurrency Loan (as applicable) ~~Loan~~ in the same Permitted Currency. Whenever the Borrower desires to convert or continue Loans as provided above, the Borrower shall give the Administrative Agent irrevocable prior written notice in the form attached as Exhibit A-4 (a "***Notice of Conversion/Continuation***") not later than 11:00 a.m. four (4) Business Days (with respect to any Eurocurrency Loan or RFR Loan denominated in Sterling) and three (3) Business Days (with respect to any Loan denominated in Dollars) before the day on which a proposed conversion or continuation of such Loan is to be effective specifying (A) the Loans to be converted or continued, and, in the case of any Eurodollar Loan, Term RFR Loan or Eurocurrency Loan to be converted or continued, the last day of the Interest Period therefor, (B) the Permitted Currency in which such Loan is denominated, (C) the effective date of such conversion or continuation (which shall be a Business Day), (D) the principal amount of such Loans to be converted or continued, and (E) the Interest Period to be applicable to such converted or continued Eurodollar Loan, Term RFR Loan or Eurocurrency Loan. The Administrative Agent shall promptly notify the Lenders of such Notice of Conversion/Continuation.

a. Manner of Payment

.

i. Loans Denominated in Dollars. Each payment by the Borrower on account of the principal of or interest on any Loan denominated in Dollars or of any fee, commission or other amounts payable to the Lenders under this Agreement or any Loan (except as set forth in Section 2.11(b)) shall be made in Dollars not later than 1:00 p.m. on the date specified for payment under this Agreement to, in connection with any Swingline

Loans, the Swingline Lender, and in all other cases, the Administrative Agent for the account of the applicable Lenders (except as set forth below) *pro rata* in accordance with their respective Pro Rata Percentages (except as specified below) in immediately available funds and shall be made without any set-off, counterclaim or deduction whatsoever. Any payment received after such time but before 2:00 p.m. on such day shall be deemed a payment on such date for the purposes of Article VII, but for all other purposes shall be deemed to have been made on the next succeeding Business Day. Any payment received after 2:00 p.m. shall be deemed to have been made on the next succeeding Business Day for all purposes.

ii. Loans Denominated in Alternative Currencies. Each payment by the Borrower on account of the principal of or interest on the Revolving Loans denominated in any Permitted Alternative Currency shall be made in such Permitted Alternative Currency not later than 11:00 a.m. (in the city in which the Administrative Agent's Correspondent is located) on the date specified for payment under this Agreement to the Administrative Agent's account with the Administrative Agent's Correspondent for the account of the applicable Lenders (except as set forth below) *pro rata* in accordance with their respective Pro Rata Percentages (except as set forth below) in immediately available funds, and shall be made without any set-off, counterclaim or deduction whatsoever. Any payment received after such time but before 12:00 noon (in the city in which the Administrative Agent's Correspondent is located) on such day shall be deemed a payment on such date for the purposes of Article VII, but for all other purposes shall be deemed to have been made on the next succeeding Business Day. Any payment received after 12:00 noon (in the city in which the Administrative Agent's Correspondent is located) shall be deemed to have been made on the next succeeding Business Day for all purposes.

iii. Pro Rata Treatment. Upon receipt by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each applicable Lender at its address for notices set forth herein its *pro rata* share of such payment in accordance with such Lender's Pro Rata Percentage (except as specified below) and shall wire advice of the amount of such credit to each such Lender. Each payment to the Administrative Agent of Administrative Agent's fees or expenses shall be made for the account of the Administrative Agent. Each payment to the Administrative Agent with respect to a Swingline Loan (including, without limitation, the Swingline Lender's fees or expenses) shall be made for the account of the Swingline Lender. Any amount payable to any Lender under Sections 2.16, 2.17, 2.18, 2.19, 2.20 or 9.05 shall be paid to the Administrative Agent for the account of the applicable Lender. Subject to Section 2.09(b)(i), if any payment under this Agreement or any Loan shall be specified to be made upon a day which is not a Business Day, it shall be made on the next day which is a Business Day and such extension of time shall in such case be included in computing any interest if payable along with such payment.

iv. Defaulting Lenders. Notwithstanding anything to the contrary contained in this Section 2.11, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, each payment by the Borrower hereunder shall be applied in accordance with Section 2.27(b).

b. Crediting of Payments and Proceeds

. In the event that the Borrower shall fail to pay any of the Obligations when due and the Obligations have been accelerated pursuant to Article VII, all payments received by the Lenders upon the Loans and the other Obligations and all net proceeds from the enforcement of the Obligations shall be applied: (a) first to all expenses then due and payable by the Borrower hereunder and under the other Loan Documents, (b) then to all indemnity obligations then due and payable by the Borrower hereunder and under the other Loan Documents, (c) then to all Administrative Agent's fees then due and payable, (d) then to all facility and other fees and commissions then due and payable, (e) then to the accrued and unpaid interest on the Swingline Loan to the Swingline Lender, (f) then to the principal amount outstanding under the Swingline Loans to the Swingline Lender, (g) then *pro rata* to accrued and unpaid interest on the Loans (*pro rata* in accordance with all such amounts due), and (h) then *pro rata* to (i) the principal amount of the Loans (*pro rata* in accordance with all such amounts due), (ii) any Hedging Obligations (including any termination payments and any accrued and unpaid interest thereon) (*pro rata* in accordance with all such amounts due) and (iii) any Cash Management Obligations (including any principal amounts and any accrued and unpaid interest thereon) (*pro rata* in accordance with all such amounts due).

a. Adjustments

. If any Lender (a "***Benefited Lender***") shall at any time receive any payment of all or part of the Obligations owing to it, or interest thereon, or if any Lender shall at any time receive any collateral in respect to the Obligations owing to it (whether voluntarily or involuntarily, by set-off or otherwise) in a greater proportion (taking into account any Competitive Bid Loans of such Lender) than any such payment to and collateral received by any other Lender, if any, in respect of the similar Obligations owing to such other Lender, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders in the applicable Facility such portion of each such other Lender's Loans, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders, *provided* that

i. if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned to the extent of such recovery, but without interest; and
ii. provisions of this paragraph shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement, (B) the application of cash collateral provided for in Section 2.27 or (C) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Swingline Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower agrees that each Lender so purchasing a portion of another Lender's Loans may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion.

a. Nature of Obligations of Lenders Regarding the Loans; Assumption by the Administrative Agent

. The obligations of the Lenders under this Agreement to make the Loans are several and are not joint or joint and several. Unless the Administrative Agent shall have received notice from a Lender prior to a proposed borrowing date that such Lender will not make available to the Administrative Agent such Lender's ratable portion of the amount to be borrowed on such date (which notice shall not release such Lender of its obligations hereunder), the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the proposed borrowing date in accordance with the terms hereof, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If such amount is made available to the Administrative Agent on a date after such borrowing date, such Lender shall pay to the Administrative Agent on demand interest, until paid, (a) with respect to any Loan denominated in Dollars for each day after the date such amount was due until the date such amount is paid to the Administrative Agent, at the Federal Funds Effective Rate for the first day such payment is not made, and thereafter at the interest rate applicable to such Loan pursuant to Section 2.09(a) or (c), as the case may be, and (b) with respect to any Loan denominated in a Permitted Alternative Currency, for each day after the date such amount was due until the date such amount is paid to the Administrative Agent, at a rate per annum equal to the Administrative Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by the Administrative Agent as a result of the failure to deliver funds hereunder) of carrying such amount for the first day such payment is not made, and thereafter at the interest rate applicable to such Loan pursuant to Section 2.09(a) or (c), as the case may be. A certificate of the Administrative Agent with respect to any amounts owing under this Section 2.14 shall be conclusive, absent manifest error. If such Lender's Pro Rata Percentage of such borrowing is not made available to the Administrative Agent by such Lender within three (3) Business Days after such borrowing date, the Administrative Agent shall be entitled to recover such amount made available by the Administrative Agent with interest thereon at the rate per annum applicable to ABR Loans hereunder, on demand, from the Borrower. The failure of any Lender to make available its Pro Rata Percentage of any Loan requested by a Borrower shall not relieve it or any other Lender of its obligation, if any, hereunder to make its Pro Rata Percentage of such Loan available on the borrowing date, but no Lender shall be responsible for the failure of any other Lender to make its Pro Rata Percentage of such Loan available on the borrowing date. Notwithstanding anything set forth herein to the contrary, any Lender that fails to make available its Pro Rata Percentage of any Loan shall not (a) have any voting or consent rights under or with respect to any Loan Document or (b) constitute a "Lender" (or be included in the calculation of Required Lenders hereunder) for any voting or consent rights under or with respect to any Loan Document, in each case, as described further in Section 2.27.

a. Redenomination of Eurocurrency Loans

.

i. Conversion to the Base Rate. If any Eurocurrency Loan or RFR Loan denominated in Sterling is required to bear interest based at the Alternate Base Rate rather than the ~~LIBO Rate~~Benchmark pursuant to Section 2.09(c), Section 2.17 or any other applicable provision hereof, such Loan shall be funded in Dollars in an amount equal to the Equivalent Dollar Amount of such Eurocurrency Loan or RFR Loan, all subject to the provisions of Section 2.05(b). The Borrower shall reimburse the Lenders upon any such conversion for any amounts required to be paid under Section 2.18.

ii. Redenomination of Loans. Subject to Section 1.03, any Loan to be denominated in the currency of the applicable Participating Member State shall be made in Euro.

iii. Redenomination of Obligations. Subject to Section 1.03, any obligation of any party under this Agreement or any other Loan Document which has been denominated in the currency of a Participating Member State shall be redenominated into Euro.

iv. Further Assurances. The terms and provisions of this Agreement will be subject to such changes of construction as reasonably determined by the Administrative Agent in consultation with the Borrower to reflect the implementation of the EMU in any Participating Member State or any market conventions relating to the fixing and/or calculation of interest being changed or replaced and to reflect market practice at that time, and subject thereto, to put the Administrative Agent, the Lenders and the Borrower in the same position, so far as possible, that they would have been if such implementation had not occurred. In connection therewith, the Borrower agrees, at the request of the Administrative Agent, at the time of or at any time following the implementation of the EMU in any Participating Member State or any market conventions relating to the fixing and/or calculation of interest being changed or replaced, to enter into an agreement amending this Agreement in such manner as the Administrative Agent shall reasonably request in consultation with the Borrower.

b. Extension of Maturity Date

.

i. The Borrower may, by notice to the Administrative Agent (which shall promptly notify the Lenders) not less than 45 days and not more than 90 days prior to each of the first, second and third anniversaries of the Closing Date (each anniversary, an "***Anniversary Date***"), request that each Lender extend such Lender's then current Maturity Date to the date (the "***New Maturity Date***") that is one year after the then current Maturity Date. Each Lender, acting in its sole discretion, shall, by written notice to the Administrative Agent given no later than the date (the "***Consent Date***") that is 20 days prior to the relevant Anniversary Date (provided that, if such date is not a Business Day, the Consent Date shall be the next succeeding Business Day), advise the Administrative Agent as to:

   a. whether or not such Lender agrees to such extension of its then current Maturity Date (each Lender so agreeing to such extension being an "***Extending Lender***"); and

   b. only if such Lender is an Extending Lender, whether or not such Lender also irrevocably offers to increase the amount of its Commitment (each Lender so offering to increase its Commitment being an "***Increasing Lender***" as well as an Extending Lender) and, if so, the amount of the additional Commitment such Lender so irrevocably offers to assume hereunder (such Lender's "***Proposed Additional Commitment***").

Each Lender that determines not to extend its then current Maturity Date (a "***Non-Extending Lender***") shall notify the Administrative Agent (which shall notify the Lenders) of such fact promptly after such determination but in any event no later than the Consent Date, and any Lender that does not advise the Administrative Agent in writing on or before the Consent Date shall be deemed to be a Non-Extending Lender and (without limiting the Borrower's rights under Section 2.16(c)) shall have no liability to the Borrower in connection therewith. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree. The Administrative Agent shall notify the Borrower of each Lender's determination under this Section 2.16(a) no later than the date 15 days prior to the relevant Anniversary Date (or, if such date is not a Business Day, on the next preceding Business Day).

i. (i) If all of the Lenders are Extending Lenders, then, effective as of the Consent Date, the then current Maturity Date of each Lender shall be extended to the New Maturity Date, and the respective Commitments of the Lenders will not be subject to change at such Consent Date pursuant to this Section 2.16.

    i. If and only if the sum of (x) the aggregate amount of the Commitments of the Extending Lenders *plus* (y) the aggregate amount of the Proposed Additional Commitments of the Increasing Lenders (such sum, the "***Extending Commitments***") shall be equal to at least 50% of the then total Commitments, then:

        1. effective as of the Consent Date, the then current Maturity Date of each Extending Lender shall be extended to the New Maturity Date;
        2. the Borrower shall (so long as no Event of Default shall have occurred and be continuing) have the right, but not the obligation, to take either of the following actions with respect to each Non-Extending Lender during the period commencing on the Consent Date and ending on the immediately succeeding Anniversary Date:

(X) the Borrower may elect by notice to the Administrative Agent and such Non-Extending Lender that the Maturity Date of such Non-Extending Lender be changed to a date (which date shall be specified in such notice) on or prior to such immediately succeeding Anniversary Date (and, upon the giving of such notice, the Initial Maturity Date of such Non-Extending Lender shall be so changed); or

(Y) the Borrower may replace such Non-Extending Lender as a party to this Agreement in accordance with Section 2.16(c); and

        1. the Borrower shall have the right, but not the obligation, to pay the Extending Lenders (and to no other Lenders) an extension fee, *provided* that if such fee is paid, it will be shared on a ratable basis among the Extending Lenders.

    a. If neither of the conditions specified in clause (i) or clause (ii) of this Section 2.16(b) is satisfied, then neither the then current Maturity Date nor the Commitment of any Lender will change pursuant to this Section 2.16 on such Consent Date, and the Borrower will not have the right to take any of the actions specified in Section 2.16(b)(ii)(B).

ii. Replacement by the Borrower of Non-Extending Lenders pursuant to Section 2.16(b)(ii)(B)(Y) shall be effected as follows (certain terms being used in this Section 2.16(c) having the meanings assigned to them in Section 2.16(d)) on the relevant Assignment Date:

a. the Assignors shall severally assign and transfer to the Assignees, and the Assignees shall severally purchase and assume from the Assignors, all of the Assignors' rights and obligations (including, without limitation, the Assignors' respective Commitments) hereunder and under the other Loan Documents;

b. each Assignee shall pay to the Administrative Agent, for account of the Assignors, an amount equal to such Assignee's Share of the aggregate outstanding principal amount of the Loans then held by the Assignors; and

c. the Borrower shall pay to the Administrative Agent, for account of the Assignors, all interest, fees and other amounts (other than principal of outstanding Loans) then due and owing to the Assignors by the Borrower hereunder (including, without limitation, payments due such Assignors, if any, under Sections 2.17(c), 2.18, 2.20, and 9.05).

The assignments provided for in this Section 2.16(c) shall be effected on the relevant Assignment Date in accordance with Section 9.04 and pursuant to one or more Assignments and Acceptances. After giving effect to such assignments, each Assignee shall have a Commitment hereunder (which, if such Assignee was a Lender hereunder immediately prior to giving effect to such assignment, shall be in addition to such Assignee's existing Commitment) in an amount equal to the amount of its Assumed Commitment representing a Commitment. Upon any such termination or assignment, such Assignor shall cease to be a party hereto but shall continue to be obligated under Section 8.07 and be entitled to the benefits of Section 9.05, as well as to any fees and other amounts accrued for its account under Sections 2.07, 2.17(c), 2.18 or 2.20 and not yet paid.

i. For purposes of this Section 2.16 the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"***Assigned Commitments***" means the Commitments of Non-Extending Lenders to be replaced pursuant to Section 2.16(b)(ii)(B)(Y).

"***Assignees***" means, at any time, Increasing Lenders and, if the Assigned Commitments exceed the aggregate amount of the Proposed Additional Commitments, one or more New Lenders.

"***Assignment Date***" means the Anniversary Date or such earlier date as shall be acceptable to the Borrower, the relevant Assignors, the relevant Assignees and the Administrative Agent.

"***Assignors***" means, at any time, the Lenders to be replaced by the Borrower pursuant to Section 2.16(b)(ii)(B)(Y).

The "***Assumed Commitment***" of each Assignee shall be determined as follows:

(a) If the aggregate amount of the Proposed Additional Commitments of all of the Increasing Lenders shall exceed the aggregate amount of the Assigned Commitments, then (i) the amount of the Assumed Commitment of each Increasing Lender shall be equal to (x) the aggregate amount of the Assigned Commitments *multiplied by* (y) a fraction, the numerator of which is equal to such Increasing

Lender's Commitment as then in effect and the denominator of which is the aggregate amount of the Commitments of all Increasing Lenders as then in effect; and (ii) no New Lender shall be entitled to become a Lender hereunder pursuant to Section 2.16(c) (and, accordingly, each New Lender shall have an Assumed Commitment of zero).

(b) If the aggregate amount of the Proposed Additional Commitments of all of the Increasing Lenders shall be less than or equal to the aggregate amount of the Assigned Commitments, then: (i) the amount of the Assumed Commitment of each Increasing Lender shall be equal to such Increasing Lender's Proposed Additional Commitment; and (ii) the excess, if any, of the aggregate amount of the Assigned Commitments *over* the aggregate amount of the Proposed Additional Commitments shall be allocated among New Lenders in such a manner as the Borrower and the Administrative Agent may agree.

"***New Lender***" means an Eligible Assignee approved by the Administrative Agent that the Borrower has requested to become a Lender hereunder pursuant to this Section 2.16.

"***Share***" means, as to any Assignee, a fraction the numerator of which is equal to such Assignee's Assumed Commitment and the denominator of which is the aggregate amount of the Assumed Commitments of all the Assignees.

i. In the event that an extension is effected pursuant to this Section 2.16 (but subject to the provisions of Sections 2.05 and 2.06 and Article VII), the aggregate principal amount of all Loans shall be repaid in full ratably to the Lenders on the New Maturity Date. As of the Extension Date, any and all references in this Agreement or any of the other Loan Documents to the "Initial Maturity Date" or the "Maturity Date", as applicable, shall refer to the New Maturity Date.

ii. Notwithstanding anything to the contrary set forth herein, this Section 2.16 shall supersede any provisions in Section 2.11(c) and Section 9.08 to the contrary.

c. Changed Circumstances

.

i. Circumstances Affecting LIBO Rate, ~~LIBOR~~ Market Index Rate and Permitted Alternative Currency Availability. ~~(i)~~ If with respect to any Interest Period for any Floating Rate Loan, RFR Loan denominated in Sterling or Eurocurrency Loan the Administrative Agent or Required Lenders (after consultation with the Administrative Agent) shall determine that (A) by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in ~~eurodollars~~Dollars or a Permitted Alternative Currency in the applicable amounts are not being quoted via the Reuters Screen LIBOR01 or the applicable Reuters Screen Page (the "***Screen Rate***") or offered to the Administrative Agent or such Lender for such Interest Period, (B) a fundamental change has occurred in the foreign exchange or interbank markets with respect to any Permitted Alternative Currency (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls) or (C) it has become otherwise materially impractical for the Administrative Agent or the Lenders to make such Loan in a Permitted Alternative Currency, then the Administrative Agent shall forthwith give notice thereof to the Borrower. Thereafter, until the Administrative Agent notifies the Borrower that such circumstances no longer exist, the obligation of the Lenders to make Floating Rate Loans, RFR Loans denominated in Sterling or Eurocurrency Loans, as applicable, and the right of the Borrower to convert any Loan to or continue any Loan as a Floating Rate Loan, RFR Loan denominated in Sterling or a Eurocurrency Loan, as applicable, shall be suspended, and the Borrower shall repay in full (or cause to be repaid in full) the then outstanding principal amount of each such Floating Rate Loan, RFR Loan denominated in Sterling or Eurocurrency Loan, as applicable, together with accrued interest thereon, on the last day of the then current Interest Period applicable to such Floating Rate Loan, RFR Loan denominated in Sterling or Eurocurrency Loan, as applicable, or convert the then outstanding principal amount of each such Floating Rate Loan, RFR Loan denominated in Sterling or Eurocurrency Loan, as applicable, to an ABR Loan in Dollars as of the last day of such Interest Period.

~~(ii) Notwithstanding the foregoing clause (a)(i) of this Section 2.17 or any other provision of this Agreement, if the Administrative Agent determines (which determination shall be conclusive absent manifest error) or the Borrower notifies the Administrative Agent that (A) the circumstances set forth in clause (a)(i)(A) of this Section 2.17 have arisen, (B) the circumstances set forth in such clause (a)(i)(A) have not arisen but the supervisor for the administrator of the Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the Screen Rate shall no longer be made available, or be used for determining interest rates for loans in a Permitted Currency, (C) any Applicable Reference Rate is no longer a widely recognized benchmark rate for newly originated loans in a Permitted Currency or (D) syndicated loans currently being executed, or that include language similar to that contained in this Section 2.17(a), are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace any Applicable Reference Rate, then the Administrative Agent and the Borrower shall negotiate in good faith and endeavor to establish an alternate rate of interest to the Screen Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans denominated in the applicable Permitted Currency at such time, and shall, notwithstanding anything to the contrary in Section 9.08, enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes (including any adjustments to the Applicable Percentage) to this Agreement as the Administrative Agent and the Borrower may determine to be appropriate. Such amendment shall become effective without any further action or consent of any party to this Agreement other than the Administrative Agent and the Borrower so long as the Administrative Agent shall not have received, within five Business Days after the date that a copy of such amendment is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (a)(ii) (but, in the case of the circumstances described in clause (B) above, only to the extent the Screen Rate is not available or published at such time on a current basis), the interest rate applicable to all outstanding Eurodollar Loans and Eurocurrency Loans shall be determined in accordance with clause (a)(i) of this Section 2.17. Notwithstanding the foregoing, if any alternate rate of interest established pursuant to this clause (a)(ii) shall be negative, such rate shall be deemed to be zero percent per annum (0.00%) for the purposes of this Agreement.~~

i. Laws Affecting LIBO Rate, ~~LIBOR~~ Market Index Rate and Permitted Alternative Currency Availability. If, after the date hereof, the introduction of, or any change in, any Applicable Law 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 of the Lenders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or impossible for any of the Lenders (or any of their respective Lending Offices) to honor its obligations hereunder to make or maintain any Floating Rate Loan, RFR Loan denominated in Sterling or any Eurocurrency Loan, such Lender shall promptly give notice thereof to the Administrative Agent and the Administrative Agent shall promptly give notice to the Borrower and the other Lenders. Thereafter, until the Administrative Agent notifies the Borrower that such circumstances no longer exist, (i) the obligations of such Lender to make Floating Rate Loans, RFR Loans denominated in Sterling or Eurocurrency Loans, as applicable, and the right of the Borrower to convert or continue any Loan made by such Lender as a Floating Rate Loan, RFR Loan denominated in Sterling or a Eurocurrency Loan, as applicable, shall be suspended, and (ii) if such Lender may not lawfully continue to maintain a Floating Rate Loan, RFR Loan denominated in Sterling or a Eurocurrency Loan, as applicable, to the end of the then current Interest Period applicable thereto as a Floating Rate Loan, RFR Loan denominated in Sterling or Eurocurrency Loan, as applicable, the applicable Floating Rate Loan, RFR Loan denominated in Sterling or an Eurocurrency Loan, as applicable, shall immediately be converted to an ABR Loan in Dollars for the remainder of such Interest Period.

ii. Increased Costs. If any Change in Law shall:

a. except as provided in Section 2.20(e), subject any of the Lenders (or any of their respective Lending Offices) to any tax, duty or other charge with respect to any Loan or shall change the basis of taxation of payments to any of the Lenders (or any of their respective Lending Offices) of the principal of or interest on any Loan or any other amounts due under this Agreement in respect thereof (except for any Taxes covered by Section 2.20(c) or Excluded Taxes);

b. impose, modify or deem applicable any reserve (including, without limitation, any reserve imposed by the Board), special deposit, insurance or capital or similar requirement against assets of, deposits with or for the account of, or credit extended by any of the Lenders (or any of their respective Lending Offices); or

c. impose on any Lender (or any of their respective Lending Offices) or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender,

and the result of any of the foregoing events described in clause (i), (ii) or (iii) above is to increase the costs to any of the Lenders of maintaining any Floating Rate Loan, RFR Loan denominated in Sterling, Competitive Bid Loan or Eurocurrency Loan, as applicable, or to reduce the yield or amount of any sum received or receivable by any of the Lenders under this Agreement or under the Loans in respect of a Floating Rate Loan, RFR Loan denominated in Sterling, Competitive Bid Loan or a Eurocurrency Loan, as applicable, then, upon the request of such Lender, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or Lenders for such increased cost or reduction. The amount of such compensation shall be determined, in the applicable Lender's sole discretion, based upon the assumption that such Lender funded its Pro Rata Percentage of the Floating Rate Loans, RFR Loan denominated in Sterling, Competitive Bid Loans or Eurocurrency Loans, as applicable, in the London interbank market and using any attribution or averaging methods which such Lender reasonably deems appropriate and practical. A certificate of such Lender setting forth in reasonable detail the basis for determining such amount or amounts necessary to compensate such Lender shall be forwarded to the Borrower through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error.

i. Exchange Indemnification and Increased Costs. The Borrower shall, upon demand from the Administrative Agent, pay to the Administrative Agent or any applicable Lender, the amount of (i) any loss or cost or increased cost incurred by the Administrative Agent or any applicable Lender, (ii) any reduction in any amount payable to or in the effective return on the capital to the Administrative Agent or any applicable Lender, (iii) any interest or any other return, including principal, foregone by the Administrative Agent or any applicable Lender as a result of the introduction of, change over to or operation of, the Euro, or (iv) any currency exchange loss, that Administrative Agent or any Lender sustains as a result of any payment being made by a Borrower in a currency other than that originally extended to the Borrower or as a result of any other currency exchange loss incurred by the Administrative Agent or any applicable Lender under this Agreement. A certificate of the Administrative Agent setting forth the basis for determining such additional amount or amounts necessary to compensate the Administrative Agent or the applicable Lender shall be conclusively presumed to be correct save for manifest error.

d. Indemnity

. The Borrower hereby indemnifies each of the Lenders against any loss or expense (including, without limitation, any foreign exchange costs, but excluding loss of anticipated profits) which may arise or be attributable to each Lender's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain any Loan (a) as a consequence of any failure by the Borrower to make any payment when due of any amount due hereunder in connection with a Eurodollar Loan, Term RFR Loan, Competitive Bid Loan or a Eurocurrency Loan, (b) due to any failure of the Borrower to borrow, continue or convert on a date specified therefor in a Notice of Borrowing, Competitive Bid Request or Notice of Conversion/Continuation ~~or~~, (c) due to any payment, prepayment or conversion of any Eurodollar Loan, Term RFR Loan, Competitive Bid Loan or Eurocurrency Loan on a date other than the last day of the Interest Period therefor, (d) due to the payment of any principal of any Daily Simple RFR Loan other than on the Interest Payment Date therefor, (e) due to the conversion of any Daily Simple RFR Loan other than on the Interest Payment Date therefor, (f) due to the failure to borrow, convert, continue or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto or (g) due to the assignment of any Daily Simple RFR Loan other than on the Interest Payment Date therefor as a result of a request by the Borrower pursuant to Section 2.26. The amount of such loss or expense shall be determined based upon the assumption that such Lender funded its Pro Rata Percentage, as applicable, of the Eurodollar Loan, RFR Loan, Competitive Bid Loan or Eurocurrency Loan in the London interbank market and using any reasonable attribution or averaging methods which such Lender deems appropriate and practical. A certificate of such Lender setting forth the basis for determining such amount or amounts necessary to compensate such Lender shall be forwarded to the Borrower through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error.

a. Capital Requirements

. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the capital of, or has affected or would affect the amount of capital or liquidity required to be maintained by, any Lender or any corporation controlling such Lender as a consequence of, or with reference to this Agreement, the Loans, the Commitments, the Swingline Commitment and other commitments of this type, below the rate which such Lender or such other corporation could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then within five (5) Business Days after written demand by any such Lender, the Borrower shall pay to such Lender from time to time as specified by such Lender additional amounts sufficient to compensate such Lender or other corporation for such reduction. A certificate submitted to the Borrower and the Administrative Agent by such Lender setting forth in reasonable detail such amounts, shall, in the absence of manifest error, be presumed to be correct and binding for all purposes.

a. Taxes

.

i. Payments Free and Clear. Except as otherwise provided in Section 2.20(e), any and all payments by the Borrower hereunder or under the Loans shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholding, and all liabilities with respect thereto excluding, (i) in the case of each Lender and the Administrative Agent, income and franchise taxes imposed by the jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or is or should be qualified to do business or any political subdivision thereof, (ii) in the case of each Lender, income and franchise taxes imposed by the jurisdiction of such Lender's Lending Office or any political subdivision thereof, (iii) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.26), any withholding tax that is imposed under any law in effect at the time such Foreign Lender becomes a party hereto (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to this Section 2.20(a), (iv) in the case of a Foreign Lender, is attributable to such Foreign Lender's failure or inability (other than as a result of the occurrence, after the date of this Agreement, of any Change in Law) to comply with Section 2.20(e) and (v) any U.S. federal withholding Taxes imposed under FATCA (all such taxes, levies, imposts, deductions, charges, withholdings and liabilities not excluded by items (i), (ii), (iii) or (iv) being hereinafter referred to as "***Taxes***," and all such excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities described in items (i), (ii), (iii) or (iv) being hereinafter referred to as "***Excluded Taxes***"). If the Borrower shall be required by law to deduct or withhold any Taxes from or in respect of any sum payable hereunder or under any Loan to any Lender or the Administrative Agent, (A) except as otherwise provided in Section

2.20(e), the sum payable shall be increased as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional sums payable under this Section 2.20) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the amount such party would have received had no such deductions or withholdings been made, (B) the Borrower shall make such deductions or withholdings, (C) the Borrower shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with Applicable Law, and (D) the Borrower shall deliver to the Administrative Agent and such Lender evidence of such payment to the relevant taxing authority or other Governmental Authority in the manner provided in Section 2.20(d).

ii. Stamp and Other Taxes. In addition, the Borrower shall pay any present or future stamp, registration, recordation or documentary taxes or any other similar fees or charges or excise or property taxes, levies of the United States or any state or political subdivision thereof or any applicable foreign jurisdiction which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, the Loans or the other Loan Documents, or the perfection of any rights or security interest in respect thereof (hereinafter referred to as "***Other Taxes***").

iii. Indemnity. Except as otherwise provided in Section 2.20(e), the Borrower shall indemnify each Lender and the Administrative Agent for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.20) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Such indemnification shall be made within 30 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor. A certificate of the Administrative Agent or such Lender setting forth in reasonable detail the basis for determining such indemnification shall be forwarded to the Borrower through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error. Nothing contained in this Section 2.20(c) shall prevent the Borrower from pursuing, at the sole cost and expense of the Borrower, the refund of any such Taxes or Other Taxes from the Foreign Lender which paid, or upon whose behalf the Borrower paid, such Taxes or Other Taxes if the Borrower in good faith believes such taxes were incorrectly or illegally asserted.

iv. Evidence of Payment. Within 30 days after the date of any payment of Taxes or Other Taxes, the Borrower shall furnish to the Administrative Agent and the applicable Lender, at its address referred to in Section 9.01, the original or a certified copy of a receipt evidencing payment thereof or other evidence of payment satisfactory to the Administrative Agent.

v. Delivery of Tax Forms. To the extent required by Applicable Law to reduce or eliminate withholding or payment of taxes, each Lender and the Administrative

Agent shall deliver to the Borrower, with a copy to the Administrative Agent, on the Closing Date or concurrently with the delivery of the relevant Assignment and Acceptance or any accession agreement executed and delivered in accordance with Section 2.24 or 2.28(a), as applicable, two United States Internal Revenue Service Forms W-9, Forms W-8ECI, Forms W-8BEN or Forms W-8BEN-E, as applicable (or successor forms) properly completed and certifying in each case that such Lender is entitled to a complete exemption from withholding or deduction for or on account of any United States federal income taxes and backup withholding taxes. Each such Lender further agrees to deliver to the Borrower, with a copy to the Administrative Agent, as applicable, two Form W-9, Form W-8BEN, Form W-8BEN-E or Form W-8ECI, or successor applicable forms or manner of certification, as the case may be, on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower, certifying in the case of a Form W-9, Form W-8BEN, Form W-8BEN-E or Form W-8ECI (or successor forms) that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes (unless in any such case an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders such forms inapplicable or the exemption to which such forms relate unavailable and such Lender notifies the Borrower and the Administrative Agent that it is not entitled to receive payments without deduction or withholding of United States federal income taxes) and, in the case of a Form W-9, Form W-8BEN, Form W-8BEN-E or Form W-8ECI, establishing an exemption from United States backup withholding tax. If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Notwithstanding anything in any Loan Document to the contrary, the Borrower shall not be required to pay additional amounts to any Lender or the Administrative Agent under Section 2.20 or Section 2.17(c), (i) if such Lender or the Administrative Agent fails to comply with the requirements of this Section 2.20(e), other than to the extent that such failure is due to a Change in Law occurring after the date on which such Lender or the Administrative Agent became a party to this Agreement or (ii) that are the result of such Lender's or the Administrative Agent's gross negligence or willful misconduct, as applicable.

vi. Survival. Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower and Lenders contained in this Section 2.20 shall survive the payment in full of the Obligations and the termination of the Commitments of all Lenders.

vii. Treatment of Certain Refunds. If the Administrative Agent or a Lender determines, in its sole but reasonable discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable and documented out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), *provided* that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph (g) shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

viii. Indemnification by Lenders. Each Lender shall indemnify the Administrative Agent within 10 days after demand therefor, for the full amount of any Excluded Taxes attributable to such Lender that are payable or paid by the Administrative Agent, and reasonable expenses arising therefrom or with respect thereto, whether or not such Excluded Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document against any amount due to the Administrative Agent under this paragraph (h). The agreements in this paragraph (h) shall survive the resignation and/or replacement of the Administrative Agent.

b. Mitigation by Lenders

. If any Lender requests compensation pursuant to Section 2.17 or Section 2.19, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.20, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, solely in the judgment of such Lender, such designation or assignment (a) would eliminate or reduce amounts payable pursuant to Section 2.17, Section 2.19 or Section 2.20, as the case may be, in the future and (b) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be practically disadvantageous to such Lender. Failure or delay on the part of any Lender to demand compensation pursuant to Section 2.17 or Section 2.19 shall not constitute a waiver of such Lender's right to demand such compensation, *provided* that the Borrower shall not be required to compensate a Lender pursuant to such Sections for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the event giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

a. General Policy of Lenders

. Notwithstanding anything in this Agreement to the contrary, no Lender shall be entitled to compensation under Section 2.17, Section 2.18, Section 2.19 or Section 2.20 if it shall not be the general policy or practice of such Lender to demand such compensation in similar circumstances and unless such demand is generally consistent with such Lender's treatment of comparable borrowers of such Lender with respect to similarly affected commitments or loans; *provided*, *however*, that no Lender shall be obligated to disclose confidential information relating to its other borrowers to establish its general policies or practices with respect to such compensation.

a. Rounding and Other Consequential Changes

. Subject to Section 1.03, without prejudice and in addition to any method of conversion or rounding prescribed by any EMU Legislation and without prejudice to the respective obligations of the Borrower to the Administrative Agent and the Lenders and the Administrative Agent and the Lenders to the Borrower under or pursuant to this Agreement, except as expressly provided in this Agreement, each provision of this Agreement, including, without limitation, the right to combine currencies to effect a set-off, shall be subject to such reasonable changes of interpretation as the Administrative Agent may from time to time specify to be necessary or appropriate to reflect the introduction of or change over to the Euro in Participating Member States.

a. Increase in Commitments

.

i. After the Closing Date but prior to the Maturity Date, the Borrower shall have the right to request from time to time additional Commitments (collectively, the "***Additional Commitments***") in an aggregate amount that, when combined with all prior Incremental Term Loan Facilities, does not exceed $250,000,000, each which request shall be made by the Borrower giving written notice (the "***Additional Commitment Notice***") to the Administrative Agent such details with respect thereto as are reasonably requested by the Administrative Agent. Each request for Additional Commitments shall request Additional Commitments in an amount not less than $25,000,000 (or such lesser amount approved by the Administrative Agent). Upon receipt of such request, the Administrative Agent shall notify the existing Lenders of the requested Additional Commitments and offer each such Lender an opportunity to participate at its sole discretion in the Additional Commitments. Any existing Lender that does not agree (in its sole discretion) to provide a portion of the proposed Additional Commitments within 10 days after receipt from the Administrative Agent of such notice shall be deemed to have declined participation in any amount of such proposed Additional Commitments. Notwithstanding any existing Lender's rejection of any portion of the proposed Additional Commitments, each existing Lender shall remain a Lender hereunder, subject to the terms and conditions hereof. In addition, the Borrower and the Administrative Agent may offer to additional proposed Lenders that qualify as Eligible Assignees (including any required consent of the Administrative Agent and/or the Swingline Lender, such consent not to be unreasonably withheld) the opportunity to accept all or a portion of the amount of the proposed Additional Commitments. The allocation of the Additional Commitments among the Lenders and Eligible Assignees who agree to accept any portion thereof shall be made by the Borrower, in consultation with the Administrative Agent. Upon the effectiveness of the Additional Commitments, (i) each Eligible Assignee (that is not an existing Lender) which has been allocated any portion of the Additional Commitments shall execute an accession agreement to this Agreement, (ii) the Commitments of the existing Lenders which have been allocated any portion of the Additional Commitments shall be increased by such amount, (iii) the Pro Rata Percentages of the Lenders (including the Eligible Assignees as the new Lenders) shall be adjusted to reflect such allocations, (iv) if applicable, and subject to the payment of applicable amounts pursuant to Section 2.18 in connection therewith, the Borrower shall be deemed to have made such borrowings and repayments of the Revolving Loans, and the Lenders shall make such adjustments of outstanding Revolving Loans between and among them, as shall be necessary to effect the reallocation of the Commitments such that, after giving effect thereto, the Revolving Loans shall be held by the Lenders (including the Eligible Assignees as the new Lenders) ratably in accordance with their Commitments and (v) other changes shall be made to the Loan Documents as may be necessary to reflect the aggregate amount, if any, by which Lenders (including the Eligible Assignees as the new Lenders) have agreed to increase their respective Commitments or make new Commitments in response to the Borrower's request for an increase in the aggregate Commitments pursuant to this Section 2.24 and which other changes do not adversely affect the rights of those Lenders who do not elect to increase their respective Commitments, in each case without the consent of the Lenders other than those Lenders increasing their Commitments.

ii. Notwithstanding the foregoing, an increase in the aggregate amount of the Commitments pursuant to Section 2.24(a) shall be effective only if (i) no Default or Event of Default shall have occurred and be continuing on the date such increase is to become effective; (ii) each of the representations and warranties made by the Borrower in this Agreement and the other Loan Documents shall be true and correct on and as of the date of the Additional Commitment Notice and the date such increase is to become effective with the same force and effect as if made on and as of such date (or, if any such representation or warrant is expressly stated to have been made as of a specific date, as of such specific date); and (iii) the Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the authorization of such increase.

b. Special Provisions Regarding Revolving Loans

.

i. Upon the occurrence of a Sharing Event, automatically (and without the taking of any action) (x) all then outstanding RFR Loans denominated in Sterling and Eurocurrency Loans shall be automatically converted into ~~Eurodollar~~ABR Loans denominated in Dollars (in an amount equal to the Equivalent Dollar Amount of the aggregate principal amount of the RFR Loans denominated in Sterling and Eurocurrency Loans on the date such Sharing Event first occurred, which ~~Eurodollar~~ABR Loans denominated in

Dollars ~~(i) shall thereafter be deemed to be ABR Loans and (ii)~~, unless the Sharing Event resulted solely from a termination of the Commitments of all Lenders pursuant to clause (i) in the last paragraph of Article VII, shall be immediately due and payable on the date such Sharing Event has occurred) and (y) unless the Sharing Event resulted solely from a termination of the Commitments of all Lenders, all accrued and unpaid interest and other amounts owing with respect to such RFR Loans denominated in Sterling and Eurocurrency Loans shall be immediately due and payable in Dollars, taking the Equivalent Dollar Amount of such accrued and unpaid interest and other amounts.

ii. Upon the occurrence of a Sharing Event (i) no further Revolving Loans or Swingline Loans shall be made, (ii) all amounts from time to time accruing with respect to, and all amounts from time to time payable on account of, any outstanding RFR Loans denominated in Sterling and Eurocurrency Loans (including, without limitation, any interest and other amounts which were accrued but unpaid on the date of such purchase) shall be payable in Dollars as if such RFR Loans denominated in Sterling and Eurocurrency Loans had originally been made in Dollars and shall be distributed by the relevant Lenders (or their affiliates) to the Administrative Agent for the account of the Lenders which made such Revolving Loans or are participating therein and (iii) the Commitments of the Lenders and the Swingline Commitment of the Swingline Lender shall be automatically terminated.

c. Replacement of Certain Lenders

. In the event any Lender (a) shall have requested additional compensation from the Borrower under Section 2.17(c), Section 2.19 or Section 2.20, (b) shall have given notice under Section 2.17 of its inability to make or maintain as such any Eurocurrency Loan, RFR Loan denominated in Sterling or Floating Rate Loan, (c) is a Defaulting Lender hereunder, (d) shall have refused to make Revolving Loans in requested Alternative Currencies under Section 1.05, (e) is a Non-Consenting Lender, or (f) is a Designated Lender, the Borrower may, at its sole expense and effort, require such Lender (each, a "***Departing Lender***") to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in, and the consents required by, Section 9.04) all its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such assigned obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided, however*, that (i) such assignment shall not conflict with any Applicable Law, (ii) the Borrower shall have received a written consent of the Administrative Agent in the case of an assignee that is not a Lender, which consent shall not unreasonably be withheld, and (iii) the Borrower or such assignee shall have paid to the Departing Lender in immediately available funds the principal of and interest accrued to the date of such payment on the Loans made by it hereunder and all other amounts owed to it hereunder. If such Departing Lender does not execute and deliver to the Administrative Agent a duly completed Assignment and Acceptance and/or any other documentation necessary to reflect such replacement within a period of time deemed reasonable by the Administrative Agent after the later of (x) the date on which the replacement Lender executes and delivers such Assignment and Acceptance and/or such other documentation and (y) the date on which the Departing Lender receives all payments described in clause (iii), then such Departing Lender shall be deemed to have executed and delivered such Assignment and Acceptance and/or such other documentation as of such date and the Borrower shall be entitled (but not obligated) to execute and deliver such Assignment and Acceptance and/or such other documentation on behalf of such Departing Lender.

a. Defaulting Lenders

. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

i. Waivers and Amendments. Such 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 9.08(b) and the definition of "Required Lenders".

ii. Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, or otherwise, and including any amounts made available to the Administrative Agent for the account of such Defaulting Lender pursuant to Section 9.06), 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 such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Swingline Lender hereunder; third, if so determined by the Administrative Agent or requested by the Swingline Lender, to be held as cash collateral for future funding obligations of such Defaulting Lender of any participation in any Swingline Loan; 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 such 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 a non-interest bearing deposit account and released pro rata in order to (x) satisfy obligations of such Defaulting Lender to fund Loans under this Agreement and (y) be held as cash collateral for future funding obligations of such Defaulting Lender of any participation in any Swingline Loan; sixth, to the payment of any amounts owing to the Administrative Agent, the Lenders or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by the Administrative Agent, any Lender or the Swingline Lender against such Defaulting Lender as a result of such 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 any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction, *provided* that if (i) such payment is a payment of the principal amount of any Revolving Loans or of any funded participations in Swingline Loans for which such Defaulting Lender has not fully funded its appropriate share and (ii) such Revolving Loans or funded participations in Swingline Loans were made at a time when the conditions set forth in Section 4.01 were satisfied or waived, such payment shall be applied solely to pay the Revolving Loans of, and funded participations in Swingline Loans owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Revolving Loans of, or funded participations in Swingline Loans owed to, such Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.27(b) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

iii. Reallocation of Pro Rata Percentages to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, all or any part of such Defaulting Lender's obligation to acquire, refinance or fund participations in Swingline Loans pursuant to Section 2.02(b) shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Percentages (computed without giving effect to the Commitment of such Defaulting Lender), *provided* that (i) 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, (ii) the representations and warranties set forth in Article III hereof shall be true and correct in all material respects on and as of the date of such reallocation with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, and (iii) the aggregate obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Swingline Loans shall not exceed the positive difference, if any, of (A) the Commitment of that Non-Defaulting Lender as decreased in connection with any outstanding Competitive Bid Loan in accordance with Section 2.01(a) *minus* (B) the sum of (1) the aggregate outstanding principal amount of the Revolving Loans of that Lender *plus* (2) such Lender's Pro Rata Percentage of outstanding Swingline Loans. Subject to Section 9.20, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

iv. Prepayment of Swingline Loans. Promptly on demand by the Swingline Lender or the Administrative Agent from time to time, the Borrower shall prepay Swingline Loans in an amount of all Fronting Exposure with respect to the Swingline Lender (after giving effect to Section 2.27(c)).

v. Certain Fees.

   a. No Defaulting Lender shall be entitled to receive a Facility Fee pursuant to Section 2.07(a) for any period during which that Lender is a Defaulting Lender.
   b. With respect to any fees not required to be paid to any Defaulting Lender pursuant to clause (i) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fees otherwise payable to such

Defaulting Lender with respect to such Defaulting Lender's participation in Swingline Loans that has been reallocated to such Non-Defaulting Lender pursuant to Section 2.27(c), (y) pay to the Swingline Lender the amount of any such fees otherwise payable to such Defaulting Lender to the extent allocable to such Swingline Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay any remaining amount of any such fees.

i. Defaulting Lender Cure. If the Borrower, the Administrative Agent and the Swingline Lender agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the 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 at par that portion of outstanding Revolving Loans and funded and unfunded participations in Swingline 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 Swingline Loans to be held on a pro rata basis by the Lenders in accordance with their Pro Rata Percentages (without giving effect to Section 2.27(c)), whereupon such Lender will cease to be a Defaulting Lender, *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such 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 such Lender's having been a Defaulting Lender.

b. Certain Permitted Amendments

.

i. The Borrower may, by written notice to the Administrative Agent from time to time beginning on the date that is 18 months after the Closing Date, but not more than three times during the term of this Agreement (and with no more than one such offer outstanding at any one time), make one or more offers (each, a "***Loan Modification Offer***") to all the Lenders to make one or more Permitted Amendments pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Borrower. 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 10 Business Days or more than 30 Business Days after the date of such notice, unless otherwise agreed to by the Administrative Agent). Notwithstanding anything to the contrary in Section 9.08, each Permitted Amendment shall only require the consent of the Borrower, the Administrative Agent and those Lenders that accept the applicable Loan Modification Offer (such Lenders, the "***Accepting***

Lenders”), and each Permitted Amendment shall become effective only with respect to the Loans and Commitments of the Accepting Lenders. In connection with any Loan Modification Offer, the Borrower may, at its sole option, terminate the aggregate Commitments of one or more of the Lenders that are not Accepting Lenders, and in connection therewith shall repay in full all outstanding Loans, and accrued but unpaid interest and fees (along with any amount owing pursuant to Section 2.18), at such time owing to such terminated Lender, with such termination taking effect, and any related repayment being made, upon the effectiveness of the Permitted Amendment. Additionally, to the extent the Borrower has terminated the Commitments of such Lenders, it may request any other Eligible Assignee (including any required consent of the Administrative Agent and/or the Swingline Lender, such consent not to be unreasonably withheld) 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 Commitments terminated pursuant to the preceding sentence, *provided* that each Eligible Assignee (that is not an existing Lender) shall execute an accession agreement to this Agreement. Upon the effectiveness of any Permitted Amendment and any termination of any Lender's Commitments (and any related repayment of Loans and unpaid interest and fees) pursuant to this section and any related commitment of an Eligible Assignee with respect to such terminated Commitments, subject to the payment of applicable amounts pursuant to Section 2.18 in connection therewith, the Borrower shall be deemed to have made such borrowings and repayments of the Loans, and the Lenders shall make such adjustments of outstanding Loans between and among them, as shall be necessary to effect the reallocation of the Commitments such that, after giving effect thereto, the Loans shall be held by the Lenders (including the Eligible Assignees as the new Lenders) ratably in accordance with their Commitments.

ii. The Borrower and each Accepting Lender 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. Each of the parties hereto hereby agrees that, upon the effectiveness of any Loan Modification Agreement, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Permitted Amendment evidenced thereby and only with respect to the Loans and Commitments of the Accepting Lenders, including any amendments necessary to treat the applicable Loans and/or Commitments of the Accepting Lenders as a new “Class” of loans and/or commitments hereunder. Notwithstanding the foregoing, no Permitted Amendment shall become effective unless the Administrative Agent, to the extent reasonably requested by the Administrative Agent, shall have received legal opinions, board resolutions, officer's and secretary's certificates and other documentation consistent with those delivered on the Closing Date under this Agreement.

iii. "***Permitted Amendments***" means any or all of the following: (i) an extension of the Maturity Date, (ii) an increase in the interest rate with respect to the Loans and/or Commitments of the Accepting Lenders, (iii) the inclusion of additional fees to be payable to the Accepting Lenders in connection with the Permitted Amendment (including any upfront fees), (iv) such amendments to this Agreement and the other Loan Documents as shall be appropriate, in the reasonable judgment of the Administrative Agent, to provide the rights and benefits of this Agreement and other Loan Documents to each new "Class" of loans and/or commitments resulting therefrom, *provided* that (A) the allocation of the participation exposure with respect to any then-existing or subsequently made Swingline Loan as between the commitments of such new "Class" and the Commitments of the then-existing Lenders shall be made on a pro rata basis as between the commitments of such new "Class" and the Commitments of the then-existing Lenders, (B) the Swingline Commitment may not be extended without the prior written consent of the Swingline Lender, and only to the extent the Swingline Commitment so extended does not exceed the aggregate Commitments extended pursuant to clause (i) above, (C) payments of principal and interest on Loans (including loans of Accepting Lenders) shall continue to be shared pro rata in accordance with Section 2.11(c), except that notwithstanding Section 2.11(c) the Loans and Commitments of the Lenders that are not Accepting Lenders may be repaid and terminated on their applicable Maturity Date, without any pro rata reduction of the Commitments and repayment of loans of Accepting Lenders with a different Maturity Date, and (v) such other amendments to this Agreement and the other Loan Documents as shall be appropriate, in the reasonable judgment of the Administrative Agent, to give effect to the foregoing Permitted Amendments.

iv. This Section 2.28 shall supersede any provision in Section 9.08 to the contrary. Notwithstanding any reallocation into extending and non-extending "Classes" in connection with a Permitted Amendment, all Loans to the Borrower under this Agreement shall rank *pari passu* in right of payment.

c. Reallocation of Lender Pro Rata Percentage; No Novation; Guarantor Release

. On the Closing Date, the Loans made under the Existing Agreement shall be deemed to have been made under this Agreement, without the execution by the Borrower or the Lenders of any other documentation, and all such Loans currently outstanding shall be deemed to have been simultaneously reallocated among the Lenders as follows:

i. On the Effective Date, each Lender that will have a greater Pro Rata Percentage of the Facility upon the Effective Date than its Pro Rata Percentage (under and as defined in the Existing Agreement) of the Facility (under and as defined in the Existing Agreement) immediately prior to the Effective Date (each, a "***Facility Purchasing Lender***"), without executing an Assignment and Acceptance, shall be deemed to have purchased assignments pro rata from each Lender (under and as defined in the Existing Agreement) that will have a smaller Pro Rata Percentage of the Facility upon the Effective Date than its Pro Rata Percentage (under and as defined in the Existing Agreement) of the Facility (under and as defined in the

Existing Agreement) immediately prior to the Effective Date (each, a "***Facility Selling Lender***") in all such Facility Selling Lender's rights and obligations under this Agreement and the other Loan Documents as a Lender (collectively, the "***Facility Assigned Rights and Obligations***") so that, after giving effect to such assignments, each Lender shall have its respective Commitment as set forth in Schedule 2.01 hereto and a corresponding Pro Rata Percentage of all Loans then outstanding under the Facility. Each such purchase hereunder shall be for a purchase price equal to the principal amount of the Loans at par and without recourse, representation or warranty, except that each Facility Selling Lender shall be deemed to represent and warrant to each Facility Purchasing Lender that the Facility Assigned Rights and Obligations of such Facility Selling Lender are not subject to any Liens created by that Facility Selling Lender. For the avoidance of doubt, in no event shall the aggregate amount of each Lender's Loans outstanding at any time exceed its Commitment as set forth in Schedule 2.01 hereto.

ii. The Borrower shall, upon written demand by any Lender, with a copy of such demand to the Administrative Agent, promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of the reallocations set forth in Section 2.29(a) above in respect of Eurodollar Loans, Term RFR Loans or Eurocurrency Loans to the extent such reallocations take place on a day other than the last day of the Interest Period for such Eurodollar Loans, Term RFR Loans or Eurocurrency Loans. The Borrower shall also, upon written demand by any Facility Selling Lender that is transferring all of its rights and obligations under this Agreement (with a copy of such demand to the Administrative Agent), promptly compensate such Facility Selling Lender for and hold such Facility Selling Lender harmless from any loss, cost or expense incurred by it as a result of such reallocations to the extent the reallocations set forth in Section 2.29(a) above in respect of Eurodollar Loans, Term RFR Loans or Eurocurrency Loans take place on a day other than the last day of the Interest Period for such Eurodollar Loans, Term RFR Loans or Eurocurrency Loans. Each such Facility Selling Lender shall be a third party beneficiary of this Section 2.29(b). Notwithstanding anything to the contrary contained in this Agreement, as of the Effective Date, all Interest Periods (under and as defined in the Existing Agreement) in respect of outstanding Loans (under and as defined in the Existing Agreement) that are Eurodollar Loans or Eurocurrency Loans (under and as such terms are defined in the Existing Agreement) shall end on and as of the Effective Date and the Lenders (under and as defined in the Existing Agreement) immediately prior to the Effective Date shall be entitled to payment from the Borrower of all accrued interest on any such Eurodollar Loans or Eurocurrency Loans (under and as such terms are defined in the Existing Agreement) outstanding immediately prior the Effective Date on the Effective Date.

iii. The Administrative Agent shall calculate the net amount to be paid or received by each Lender in connection with the assignments effected hereunder on the Effective Date. Each Lender required to make a payment pursuant to this Section shall make the net amount of its required payment available to the Administrative Agent, in same day funds, at the office of the Administrative Agent not later than 12:00 P.M. (New York time) on the Effective Date. The Administrative Agent shall distribute on the Effective Date the proceeds of such amounts to the Lenders entitled to receive payments pursuant to this Section, pro rata in proportion to the amount each such Lender is entitled to receive at the primary address set forth in Schedule 2.01 hereto or at such other address as such Lender may request in writing to the Administrative Agent.

iv. Except as provided in Section 2.29(e) below, nothing in this Agreement shall be construed as a discharge, extinguishment or novation of the Obligations of the Loan Parties (under and as defined in the Existing Agreement) outstanding under the Existing Agreement or the Loan Documents (under and as defined in the Existing Agreement), which Obligations shall remain outstanding under this Agreement after the date hereof as "Loans" except as expressly modified hereby or by instruments executed concurrently with this Agreement.

v. Each of the parties hereto agree that effective as of the date hereof, each Guarantor (as defined under the Existing Agreement) is automatically and without further action hereby released from all of its obligations under the Existing Agreement, the Guarantee Agreement (as defined under the Existing Agreement) and the other Loan Documents (as defined under the Existing Agreement) and the Guarantee Agreement (as defined under the Existing Agreement) is hereby terminated. The Administrative Agent shall execute such additional documentation as the Borrower may reasonably request to evidence such release.

vi. On the Effective Date the Borrower shall pay to the Administrative Agent (under and as defined in the Existing Agreement) for the benefit of each Lender (under and as defined in the Existing Agreement) the Facility Fee (under and as defined in the Existing Agreement) due and payable under the Existing Agreement up to but not including the Effective Date.

d. Designated Borrowers.

i. The Company may, at any time or from time to time, upon not less than five (5) Business Days' notice to the Administrative Agent and the Lenders, designate one or more Wholly Owned Subsidiaries as Borrowers hereunder by furnishing to the Administrative Agent a letter (a "***Designation Letter***") in duplicate, in substantially the form of Exhibit A-9 hereto, duly completed and executed by the Company and such Wholly Owned Subsidiary. Upon the effectiveness of any such designation of a Wholly Owned Subsidiary as provided in Section 2.30(c), such Subsidiary shall be a Designated Borrower and a Borrower entitled to borrow Loans on and subject to the terms and conditions of this Agreement. The Administrative Agent shall promptly notify each Lender of each Designation Letter by the Company and the identity of each Wholly Owned Subsidiary designated as a Borrower thereunder.

ii. Following the delivery of a Designation Letter pursuant to Section 2.30(a), the Company shall, promptly upon the request of the Administrative Agent or any Lender, supply such documentation and other evidence as is reasonably requested by the Administrative Agent or any Lender in order for the Administrative Agent and the Lender to carry out and be satisfied it has complied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations. In addition, as soon as practicable, and in any event not later than ten Business Days after the Company's delivery of the Designation Letter, any Lender that (i) has not determined that it is legally permitted and operationally capable, without incurring material costs (to the extent not reimbursed by the Company), directly or through assignment to an Affiliate of such Lender pursuant to Section 9.04 (after such Lender's use of reasonable efforts to obtain such legal permission and operational capability without incurring material costs (to the extent not reimbursed by the Company)), to lend to, establish credit for the account of and/or do business with the proposed Designated Borrower, (ii) has determined that the making of a Loan to the proposed Designated Borrower would reasonably be expected to subject such Lender to material adverse tax consequences, (iii) is required or has determined that it is prudent to register or file in the jurisdiction of the proposed Designated Borrower and does not wish to do so, (iv) is restricted by operational or administrative procedures or other applicable internal policies from extending credit under this Agreement to Persons in the jurisdiction in which the proposed Designated Borrower is located or (v) is restricted by operational or administrative procedures or other applicable internal policies from making a Loan to the proposed Designated Borrower unless such Loan consists of a separate tranche which has not been created (a "***Designated Lender***") shall so notify the Company and the Administrative Agent in writing. If a Designated Lender has so notified the Company and the Administrative Agent, the Company may at its option notify the Administrative Agent and such Designated Lender that the Commitments of such Designated Lender shall be terminated, which termination shall not be effective unless and until such Designated Lender shall have received payment in same day funds of an amount equal to the outstanding principal amount of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder.

iii. A Designation Letter shall become effective on the later to occur of (i) the twelfth Business Day following delivery thereof unless a Lender has identified itself as a Designated Lender within the time period specified in Section 2.30(b), in which case, the Designation Letter for such Wholly Owned Subsidiary will not be effective unless and until either the Commitments of each Designated Lender have been terminated in accordance with Section 2.30(b) or all Lenders cease to be Designated Lenders with respect to such Designated Borrower and (ii) the date upon which, to the extent required by the Administrative Agent, (x) the Administrative Agent has received a Beneficial Ownership Certification with respect to such proposed Designated Borrower(s) and (y) the conditions set forth in clauses (a), (d), (f), (g), (h), (j), (m) and (n) of Section 4.02 have been satisfied with respect to such proposed Designated Borrower(s).

iv. So long as all principal of and interest on all Loans made to any Designated Borrower have been paid in full, the Company may terminate the status of such Borrower as a Borrower hereunder by furnishing to the Administrative Agent a letter (a "***Termination Letter***") in substantially the form of Exhibit A-10 hereto, duly completed and executed by the Company. Any Termination Letter furnished hereunder shall be effective upon receipt by the Administrative Agent, which shall promptly notify the Lenders, whereupon the Lenders shall promptly deliver to the Company (through the Administrative Agent) the Notes, if any, of such former Borrower. Notwithstanding the foregoing, the delivery of a Termination Letter with respect to any Borrower shall not terminate (i) any obligation of such Borrower that remains unpaid at the time of such delivery (including without limitation any obligation arising thereafter in respect of such Borrower under Section 2.20 or Section 2.17(c) or (ii) the obligations of the Company under Article X with respect to any such unpaid obligations.

v. The Obligations of the Company and each Designated Borrower that is a Domestic Subsidiary shall be joint and several in nature and the Obligations of all Designated Borrowers that are Foreign Subsidiaries shall be several in nature.

a. Incremental Term Loan Facility.

i. The Borrower may, at any time, by written notice to the Administrative Agent, request that a portion of the available Additional Commitments permitted under Section 2.24 be designated as an incremental term loan (each, an "***Incremental Term Loan Facility***") to be made available by the existing Lenders and/or Additional Incremental Term Loan Lenders, and to be effective as of the date specified in such notice (the "***Incremental Term Loan Date***") specified in the related notice to Agent; *provided, however*, that in no event shall the amount of any Incremental Term Loan Facility be less than $25,000,000 or, when combined with any and all prior Incremental Term Loan Facilities and Additional

Commitments, exceed $250,000,000. In no event shall any Lender be required to participate in any Incremental Term Loan Facility.

ii. The notice from the Borrower pursuant to this Section 2.31 shall set forth the requested amount and proposed terms of each Incremental Term Loan Facility. Each Incremental Term Loan Facility may be made by any existing Lender (it being understood that no existing Lender shall have any obligation to commit to fund any portion of an Incremental Term Loan Facility unless it shall otherwise agree nor shall the Borrower be obligated to offer any such Lender the opportunity to fund any portion of any Incremental Term Loan Facility) or by any other banks or lending institutions that are reasonably acceptable to the Administrative Agent, the Joint Lead Arrangers and the Borrower (any such other Person being called an "***Additional Incremental Term Loan Lender***").

iii. Commitments in respect of an Incremental Term Loan Facility shall become Commitments under this Agreement pursuant to an amendment (each, an "***Incremental Term Loan Amendment***") to this Agreement and, as appropriate, the other Loan Documents, executed by the Loan Parties, each Incremental Term Loan Lender and the Administrative Agent. Each Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of Administrative Agent and the Borrower, to effect the provisions of this Section 2.31. Subject to the provisions of this Section 2.31 and notwithstanding the provisions of Section 9.08, no approval from the Required Lenders or all Lenders will be required in connection with the implementation of an Incremental Term Loan Facility and the Administrative Agent and the Incremental Term Loan Lenders providing an Incremental Term Loan Facility shall be permitted to enter into such amendments to the Loan Documents as are necessary to give effect to such Incremental Term Loan Facility.

b. Benchmark Replacement Setting

.

1. Benchmark Replacement.

i. Notwithstanding anything to the contrary herein or in any other Loan Document, if the USD LIBOR Transition Date has occurred prior to the Reference Time in respect of any setting of the Adjusted LIBO Rate, then (x) if a Benchmark Replacement is determined in accordance with clause (b)(1) or (b)(2) of the definition of "Benchmark Replacement" for the USD LIBOR Transition Date, such Benchmark Replacement will replace the then-current Benchmark with respect to Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Dollars for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b)(3) of the definition of "Benchmark

Replacement" for the USD LIBOR Transition Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

i. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event with respect to any Benchmark, the Administrative Agent and the Borrower may amend this Agreement to replace such Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this subsection will occur prior to the applicable Benchmark Transition Start Date.

i. Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, if a Term RFR Transition Date has occurred prior to the Reference Time in respect of any setting of the then-current Benchmark consisting of a Daily Simple RFR (including a Daily Simple RFR implemented as a Benchmark Replacement pursuant to Section 2.32(a)(i) or (a)(ii)) for the applicable Permitted Currency, then the applicable Benchmark Replacement will replace such Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark for the applicable Permitted Currency setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; *provided* that this clause (iii) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term RFR Notice with respect to the applicable Term RFR Transition Event. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term RFR Notice after a Term RFR Transition Event and may elect or not elect to do so in its sole discretion.

1. Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

1. Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.32(d). Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.32, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.32.

1. Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if any then-current Benchmark is a term rate (including any Term RFR or Eurocurrency Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or

information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

1. Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a given Benchmark, the Borrower may revoke any pending request for an RFR Loan of, conversion to or continuation of RFR Loans, or a Eurodollar Loan or Eurocurrency Loan of, conversion to or continuation of Eurodollar Loans or Eurocurrency Loans, in each case, to be made, converted or continued during any Benchmark Unavailability Period denominated in the applicable Permitted Currency and, failing that, (i)(A) in the case of any request for an affected RFR Loan in Dollars or a Eurodollar Loan, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to ABR Loans in the amount specified therein and (B) in the case of any request for any affected RFR Loan in Sterling or Eurocurrency Loan, then such request shall be ineffective and (ii)(A) any outstanding Daily Simple RFR Loans denominated in Dollars, if applicable, will be deemed to have been converted into ABR Loans immediately or, in the case of Term RFR Loans or Eurodollar Loans, at the end of the applicable Interest Period and (B) any outstanding Eurocurrency Loans or RFR Loans denominated in Sterling, at the Borrower's election, shall either (i)(i) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of the applicable Permitted Alternative Currency) immediately or, in the case of Eurocurrency Loans, at the end of the applicable Interest Period or (ii)(ii) in the case of Daily Simple RFR Loans denominated in Sterling, be prepaid in full immediately or, in the case of Eurocurrency Loans, at the end of the applicable Interest Period; *provided* that, with respect to any Daily Simple RFR Loan, if no election is made by the Borrower by the date that is three Business Days after receipt by the Borrower of such notice, the Borrower shall be deemed to have elected that such Loans be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Permitted Alternative Currency); provided, further that, with respect to any Eurodollar Loan, Eurocurrency Loan or Term RFR Loan, if no election is made by the Borrower by the earlier of (x) the date that is three Business Days after receipt by the Borrower of such notice and (y) the last day of the current Interest Period for the applicable Eurodollar Loan, Eurocurrency Loan or Term RFR Loan, the Borrower shall be deemed to have elected for such Loans to be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of Loans in a Permitted Alternative Currency) at the end of the applicable Interest Period. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on

the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.18. During a Benchmark Unavailability Period with respect to any Benchmark or at any time that a tenor for any then-current Benchmark is not an Available Tenor, the component of Alternate Based Rate based upon the then-current Benchmark that is the subject of such Benchmark Unavailability Period or such tenor for such Benchmark, as applicable, will not be used in any determination of Alternate Base Rate.

A. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to each of the Lenders that:

a. Organization; Powers

. Each of the Borrower and the Restricted Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, except, in the case of any Restricted Subsidiary whose failure to be validly existing or in good standing could not reasonably be expected to have a Material Adverse Effect, (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, (c) is qualified to do business in every jurisdiction where such qualification is required, except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect, and (d) in the case of each Loan Party, has the power and authority to execute, deliver and perform its obligations under each Loan Document to which it is party and each other agreement or instrument contemplated thereby and in the case of the Borrower, to borrow and incur other obligations hereunder.

a. Authorization

. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is to be a party and in the case of the Borrower the borrowings of the Loans, the use of proceeds thereof (collectively, the "***Transactions***") (a) have been duly authorized by all requisite action, including approval of such Loan Party's Board of Directors (if applicable) and if required, stockholder action on the part of such Loan Party, or, in the case of the use of proceeds thereof, will be so authorized in the ordinary course after the Closing Date, and (b) will not (i) violate (A) any provision of law, statute, rule or regulation applicable to the Borrower or any Subsidiary if such matter could reasonably be expected to have a Material Adverse Effect, or of the certificate or articles of incorporation or other constitutive documents or by-laws of the Borrower or any Subsidiary, (B) any order of any Governmental Authority if such matter could reasonably be expected to have a Material Adverse Effect or (C) any provision of any indenture, agreement or other instrument to which the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound if such matter could reasonably be expected to have a Material Adverse Effect, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument if such matter could reasonably be expected to have a Material Adverse Effect or (iii) result in the creation or imposition of any Lien (other than pursuant to the Loan Documents or the Indenture) upon or with respect to any property or assets now owned or hereafter acquired by the Borrower or any Restricted Subsidiary.

a. Enforceability

. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan Document when executed and delivered by the Loan Parties party thereto will constitute, a legal, valid and binding obligation of the Borrower and the other Loan Parties enforceable against the Borrower and the other Loan Parties in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

a. Governmental Approvals

. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the Transactions, except such as have been made or obtained and are in full force and effect or will be made or obtained in accordance with applicable laws, except when failure to obtain any such consents or approvals could not reasonably be expected to cause a Material Adverse Effect or jeopardize enforceability of any of the Loan Documents.

a. Financial Statements

. The Borrower has heretofore furnished to Administrative Agent (i) the Consolidated balance sheets and statements of income and cash flow of the Borrower and its Consolidated Subsidiaries as of and for the fiscal year ended December 31, 2017, audited and accompanied by the opinion of Ernst & Young LLP, independent public accountants and (ii) the unaudited Consolidated balance sheets and statements of income and cash flow of the Borrower and its Consolidated Subsidiaries as of and for the fiscal quarter ended March 31, 2018 certified by the Financial Officer of the Borrower. Such financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Consolidated Subsidiaries as of such dates and for such periods. Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of the Borrower and its Consolidated Subsidiaries as of the dates thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis.

a. No Material Adverse Change

. As of the date hereof, there has been no material adverse change in the business, assets, operations, property, or financial condition of the Borrower, its Domestic Subsidiaries that are Restricted Subsidiaries and its Foreign Subsidiaries, taken as a whole, since December 31, 2017, not previously disclosed in writing to the Administrative Agent or Lenders or disclosed in public filings of the Borrower made with the Securities and Exchange Commission prior to the Closing Date and publicly available electronically at www.sec.gov or www.choicehotels.com (it being understood that changes in general economic conditions shall not be deemed to constitute such a material adverse change).

a. Title to Properties; Possession Under Leases

.

i. Each of the Borrower and the Restricted Subsidiaries has good and marketable title to, or valid leasehold interests in, all its properties and assets, except (i) for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes or (ii) where such failure would not otherwise, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. All such material properties and assets are free and clear of Liens, other than Liens permitted by Section 6.02(a).

ii. Each of the Borrower and the Restricted Subsidiaries has complied with all obligations under all leases to which it is a party and all such leases are in full force and effect, except to the extent any failure to do so would not reasonably be expected to have a Material Adverse Effect. Each of the Borrower and the Subsidiaries enjoys peaceful and undisturbed possession under all such material leases, except to the extent any failure to do so would not reasonably be expected to have a Material Adverse Effect.

b. [Reserved]
.

a. Litigation; Compliance with Laws
.

i. There are not any actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of any Responsible Officer of the Borrower, threatened against or affecting the Borrower or any Restricted Subsidiary or any business, property or rights of any such Person and to the knowledge of any Responsible Officer of the Borrower there are not any investigations now pending or threatened against the Borrower or any Restricted Subsidiary, in each case, (i) which involve any Loan Document or the Transactions (excluding any such actions, suits or proceedings threatened by the Lenders or the Administrative Agent) or (ii) as to which there is a reasonable probability of an adverse determination and which, if such probable adverse determination occurred, could, individually or in the aggregate, reasonably be anticipated to result in a Material Adverse Effect.

ii. To the best knowledge of any Responsible Officer of the Borrower, neither the Borrower nor any of the Subsidiaries is in violation of any law, rule or regulation, or in default with respect to any judgment, writ, injunction or decree of any Governmental Authority, where such violation or default could reasonably be anticipated to result in a Material Adverse Effect.

b. Agreements
.

i. Neither the Borrower nor any of the Subsidiaries is a party to any agreement or instrument or subject to any corporate or other restriction that has resulted or could reasonably be anticipated to result in a Material Adverse Effect.

ii. Neither the Borrower nor any of its Subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such default could reasonably be anticipated to result in a Material Adverse Effect.

c. Federal Reserve Regulations
.

i. Neither the Borrower nor any of the Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

ii. Following application of the proceeds of each Loan, not more than twenty-five percent (25%) of the value of the assets of the Borrower will be Margin Stock. No part of the proceeds of any Loan has been used for any purpose that violates the provisions of Regulations T, U or X.

d. Investment Company Act

. Neither the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

a. Use of Proceeds

. The Borrower will use the proceeds of the Loans in accordance with Section 5.08.

a. Tax Returns

. Each of the Borrower and the Restricted Subsidiaries has filed or caused to be filed all Federal, state, local and foreign tax returns required to have been filed by it and has paid or caused to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, except, in each case, (a) taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary shall have set aside on its books reserves as shall be required 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.

a. No Material Misstatements

. No information, report, financial statement, exhibit or schedule (other than information of a general economic or industry nature) furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto (as modified or supplemented by other information so furnished) contained or contains any untrue statement of material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were or are made, not materially misleading, *provided* that notwithstanding the foregoing with respect to financial projections, financial projections shall, to the actual knowledge of the chief financial officer, represent good faith estimates of the financial condition and operations of the Borrower and its Subsidiaries (using assumptions that the chief financial officer believes in good faith to be reasonable at the time prepared and made available, it being recognized by the Administrative Agent and the Lenders that such projections are not to be viewed as facts or guaranties of future performance, that actual results during the period or periods covered by such projections may differ from the projected results and that such differences may be material and that the Borrower makes no representation that such projections will in fact be realized).

a. Employee Benefit Plans

. Except as would not reasonably be expected to have a Material Adverse Effect, with respect to each of the Plans, (i) each of the Borrower and its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the regulations and published interpretations thereunder, (ii) no Reportable Event has occurred as to which the Borrower or any ERISA Affiliate was required to file a report with the PBGC, (iii) the present value of all benefit liabilities under each Plan (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed the value of the assets of such Plan, (iv) neither the Borrower nor any ERISA Affiliate has incurred any Withdrawal Liability or any other liability under Title IV of ERISA (other than premiums not yet due) that remains unpaid , (v) neither the Borrower nor any ERISA Affiliate has received any notification that any Multiemployer Plan is in reorganization or has been terminated within the meaning of Title IV of ERISA, and to the best knowledge of any Responsible Officer of the

Borrower no Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, and (vi) neither the Borrower nor any ERISA Affiliate has received any notice from the PBGC regarding the funded status of any Plan.

a. Environmental Matters

. Except with respect to matters that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, the Borrower and each Restricted Subsidiary has complied with all Federal, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution or to environmental regulation or control or to employee health or safety. Except with respect to matters that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, neither the Borrower nor any Restricted Subsidiary has received notice of any failure so to comply. Except with respect to matters that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, the Borrower's and the Subsidiaries facilities do not manage any hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic pollutants or substances similarly denominated, as those terms or similar terms are used in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Clean Air Act, the Clean Water Act or any other applicable law, in violation of any such law or any regulations promulgated pursuant thereto.

a. Solvency

. As of the Effective Date, with respect to the Borrower and the Restricted Subsidiaries, collectively, (a) the fair valuation of and the present fair saleable value of their assets, measured on a going concern basis, exceed the amount that will be required to be paid on or in respect of their existing debts and other probable liabilities at a fair valuation (including contingencies) as such debts and liabilities mature, as such value and such liabilities are determined in accordance with Sections 101 of the Bankruptcy Code or Sections 1 and 2 of the Uniform Fraudulent Transfer Act, (b) their assets do not constitute unreasonably small capital for the Borrower and the Restricted Subsidiaries to carry out their businesses as now conducted and as proposed to be conducted and (c) they do not intend to incur debts or liabilities beyond their ability to pay such debts and liabilities as they mature.

a. OFAC

. No Loan Party is a Person that is, or is owned or controlled by Persons that are (i) the subject of any Sanctions or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions.

a. Intellectual Property

. Except as could not reasonably be expected to have a Material Adverse Effect:

i. The Borrower and each of its Restricted Subsidiaries owns or has the right to use, under valid license agreements or otherwise, all material patents, licenses, franchises, trademarks, trademark rights, trade names, trade name rights, trade secrets and copyrights (collectively, "***Intellectual Property***") necessary to the conduct of their respective businesses as now conducted, without known conflict with any patent, license, franchise, trademark, trade secret, trade name, copyright, or other proprietary right of any other Person;

ii. The Borrower and each of its Restricted Subsidiaries have taken all such steps as they deem reasonably necessary to protect their respective rights under and with respect to such Intellectual Property;

iii. To the knowledge of any Responsible Officer of the Borrower, no claim has been asserted in writing by any Person with respect to the use of any Intellectual Property by the Borrower or any of its Restricted Subsidiaries, or challenging or questioning the validity of any Intellectual Property; and
iv. The use of such Intellectual Property by the Borrower and each of its Restricted Subsidiaries does not infringe on the rights of any Person, subject to such claims and infringements as do not, in the aggregate, give rise to any material liabilities on the part of the Borrower or any of its Restricted Subsidiaries.

b. Anti-Corruption Laws

. The Borrower and all of its Subsidiaries and, to the knowledge of any Responsible Officer of the Borrower, all directors, officers, employees, agents or Affiliates thereof, are in compliance in all material respects with applicable Sanctions and Anti-Corruption Laws, the Trading with the Enemy Act and the Patriot Act.

a. EEA Financial Institution

. None of the Loan Parties or any their respective Subsidiaries is an EEA Financial Institution.

a. Affected Financial Institution

. A None of the Loan Parties or any of their respective Subsidiaries is an Affected Financial Institution.

A. CONDITIONS OF LENDING

The effectiveness of this Agreement and the obligations of the Lenders to make Loans hereunder are subject to the satisfaction of the following conditions:

a. All Credit Events

. On the date of the making of each Loan (each such event being called a "***Credit Event***"):

i. The Administrative Agent shall have received a notice of such Credit Event as required by Section 2.03, Section 2.04, or Section 2.10, as the case may be.
ii. The representations and warranties set forth in Article III hereof shall be true and correct in all material respects on and as of the date of such Credit Event with the same effect as though made on and as of such date, unless qualified as to materiality or Material Adverse Effect, in which case such representations and warranties shall be true and correct in all respects and except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct on and as of such earlier date.
iii. No Default or Event of Default shall have occurred and be continuing. Each Credit Event shall be deemed to constitute a representation and warranty by the Borrower on the date of such Credit Event as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

b. First Credit Event.

On the Effective Date:

i. The Administrative Agent shall have received (i) a copy of the certificate or articles of incorporation (or analogous documents) and all amendments thereto of each Loan Party certified as of a recent date by the Secretary of State (or other appropriate Governmental Authority) of the state (or country) of its organization or such other evidence as is reasonably satisfactory to the Administrative Agent; (ii) a certificate as to the good standing (or other analogous certification to the extent available) of each Loan Party as of a recent date, from the appropriate Secretary of State (or other appropriate Governmental Authority) or such other evidence as is reasonably satisfactory to the Administrative Agent; (iii) a certificate of the Secretary or Assistant Secretary of each Loan Party dated the Effective Date and certifying (A) that attached thereto is a true and complete copy of the by-laws (or such other analogous documents to the extent available) of such Loan Party as in effect on the Effective Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which it is party, and in the case of the Borrower, the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate or articles of incorporation (or analogous documents) of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing (or other analogous certification or such other evidence reasonably satisfactory to the Administrative Agent) furnished pursuant to clause (i) or (ii) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party; (iv) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to (iii) above; and (v) such other documents as the Administrative Agent or the Lenders may reasonably request.

ii. The Administrative Agent shall have received a certificate of the Borrower, dated the Effective Date and signed by a Financial Officer of the Borrower confirming compliance with the conditions precedent set forth in paragraphs (b) and (c) of Section 4.01.

iii. The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date.

iv. The Administrative Agent shall have received a favorable written opinion of Hogan Lovells US LLP, special counsel to the Borrower, dated the Effective Date and addressed to the Administrative Agent and the Lenders, in form and substance satisfactory to the Administrative Agent and the Lenders, and the Borrower hereby instructs such counsel to deliver such opinion to the Administrative Agent.

v. Neither the Borrower nor any of its Restricted Subsidiaries shall have outstanding any Indebtedness, other than (i) Indebtedness incurred under the Loan Documents and (ii) other Indebtedness permitted under Section 6.01 and outstanding on the Effective Date.

vi. No condition, circumstance, action, suit, investigation or proceeding is pending or, to the knowledge of the Borrower, threatened in any court or before any arbitrator or Governmental Authority that could be reasonably be expected to have a Material Adverse Effect.

vii. The Administrative Agent shall have received counterparts of all Loan Documents signed on behalf of each applicable Loan Party.

viii. The Administrative Agent shall have received an original Note duly executed by the Borrower and payable to the order of each Lender that has requested the same.

ix. [Reserved].

x. The Loan Parties shall have received all material governmental, shareholder and third party consents and approvals necessary (or any other material consents as determined in the reasonable discretion of the Administrative Agent) in connection with the transactions contemplated by this Agreement and the other Loan Documents and the other transactions contemplated hereby and all applicable waiting periods shall have expired without any action being taken by any Person that could reasonably be expected to restrain, prevent or impose any material adverse conditions on any of the Loan Parties or such other transactions or that could seek or threaten any of the foregoing, and no law or regulation shall be applicable which in the reasonable judgment of the Administrative Agent could reasonably be expected to have such effect.

xi. No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any Governmental Authority to enjoin, restrain, or prohibit, or to obtain substantial damages in respect of, or which is related to or arises out of this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby, or which, in the Administrative Agent's sole discretion, would make it inadvisable to consummate the transactions contemplated by this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby.

xii. No material adverse change in the business, assets, operations, property, liabilities (actual or contingent) or financial condition of the Borrower and its Subsidiaries, taken as a whole, shall have occurred since December 31, 2017 except as disclosed in public filings of the Borrower made with the Securities and Exchange Commission prior to the Closing Date and publicly available electronically at www.sec.gov or www.choicehotels.com.

xiii. (i) The Borrower shall have provided to the Administrative Agent and the Lenders the documentation and other information requested by the Administrative Agent or any Lender to comply with its "know your customer" requirements and to confirm compliance with all applicable Sanctions, Anti-Corruption Laws, the Trading with the Enemy Act and the Patriot Act, and (ii) if the Borrower qualifies as a 'legal entity customer' within the meaning of the Beneficial Ownership Regulation, a Beneficial Ownership Certification for the Borrower; in each case delivered at least five Business Days prior to the Closing Date.

xiv. The Administrative Agent shall have received a Notice of Account Designation in the form attached hereto as <u>Exhibit A-2.</u>

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notices shall be conclusive and binding.

A. AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with each Lender that, so long as this Agreement shall remain in effect or the principal of or interest on any Loan, any fees or any other expenses or amounts payable under any Loan Document shall be unpaid (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted), unless the Required Lenders shall otherwise consent in writing, the Borrower shall, and shall cause each of the Restricted Subsidiaries to:

a. Existence; Businesses and Properties

.

i. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise permitted under Section 6.05, and except for inactive Restricted Subsidiaries that do not engage in any business and except for Restricted Subsidiaries whose failure to maintain legal existence would not reasonably be expected to have a Material Adverse Effect.

ii. Do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names used in the conduct of its business, except to the extent any failure to do so would not reasonably be expected to have a Material Adverse Effect; comply with all applicable laws, rules, regulations and orders of any Governmental Authority, whether now in effect or hereafter enacted, except to the extent any failure to do so would not reasonably be expected to have a Material Adverse Effect.

iii. Except where the failure to do so could not reasonably be expected to have a Material Adverse Effect, (i) maintain and operate its business in primarily the manner in which it is presently conducted and operated; and (ii) at all times maintain and preserve all property used in the conduct of such business and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

b. Insurance

. Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it; and maintain such other insurance as may be required by law.

a. Taxes

. Pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful and valid claims for labor, materials and supplies or otherwise which, if unpaid, would reasonably be expected to have a Material Adverse Effect; *provided, however*, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower or such Restricted Subsidiary shall have set aside on its books reserves with respect thereto as shall be required in conformity with GAAP.

a. Financial Statements, Reports, etc

. In the case of the Borrower, furnish to the Administrative Agent (for further delivery by the Administrative Agent to the Lenders in accordance with its customary practice):

i. within 90 days after the end of each fiscal year, its audited Consolidated balance sheets and related statements of income and cash flow, showing the financial condition of the Borrower and its Consolidated Subsidiaries as of the close of such fiscal year and the results of its operations and the operations of such Subsidiaries during such year, all audited by Ernst & Young LLP or such other independent public accountants of recognized national standing reasonably acceptable to the Administrative Agent and accompanied by an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such Consolidated financial statements fairly present in all material respects the financial condition and results of operations of the Borrower on a Consolidated basis in accordance with GAAP consistently applied;

ii. within 50 days after the end of each of the first three fiscal quarters of each fiscal year, beginning with the fiscal quarter ending June 30, 2018, its unaudited Consolidated balance sheets and related statements of income and cash flow, showing the financial condition of the Borrower and its Consolidated Subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of such Subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year, all certified by the Financial Officer of the Borrower as fairly presenting in all material respects the financial condition and results of operations of the Borrower on a Consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

iii. concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of the accounting firm or the Financial Officer of the Borrower opining on or certifying such statements (which certificate, when furnished by an accounting firm, may be limited to accounting matters and disclaim responsibility for legal interpretations) and in any event will be based on the actual knowledge after due inquiry of the Person giving the certificate, and:

   a. certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;

   b. setting forth computations in reasonable detail satisfactory to the Administrative Agent demonstrating compliance with the covenants contained in Sections 6.11 and 6.12 (except that the requirements set forth in this clause (ii) shall not apply to the quarterly financial statements related to the fiscal quarter ending on June 30, 2018); and

   c. with respect to the computations delivered pursuant to Section 5.04(c)(ii), the Financial Officer shall break out and separately provide the financial information relating solely to Domestic Subsidiaries that are Unrestricted Subsidiaries and certify the accuracy of such information;

iv. promptly after the same become publicly available, copies (which such deliveries may be made by email) of all periodic and other reports, proxy statements and other materials filed by it with the Securities and Exchange Commission, or any Governmental Authority succeeding to any of or all the functions of said Commission, or with any national securities exchange, or distributed to its shareholders, as the case may be;

v. promptly upon a Responsible Officer of the Borrower becoming aware of a change in the Debt Rating (including the initial issuance of any Investment Grade Rating or the failure to maintain any Investment Grade Rating);

vi. promptly following any change in beneficial ownership of the Company or a Designated Borrower that would render any statement in an existing Beneficial Ownership Certification untrue or inaccurate, an updated Beneficial Ownership Certification (it being understood that no reporting shall be required pursuant to this clause (f) with respect to the Company as long as it remains listed on the New York Stock Exchange); and

vii. promptly from time to time, such other information regarding the operations, business affairs and financial condition of the Company, a Designated Borrower or any Restricted Subsidiary, or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender may reasonably request, including, without limitation, any information that the Administrative Agent or any Lender deems reasonably necessary from time to time in order to comply with its "know your customer" requirements and to confirm compliance with all applicable Sanctions, Anti-Corruption Laws, the Trading with the Enemy Act and the Patriot Act.

Any of the deliveries required by this Section 5.04 may be made by email to the Administrative Agent in accordance with Section 9.01, *provided* that the financial statements required to be delivered pursuant to paragraphs (a) and (b) above and the information required to be delivered pursuant to paragraph (d) above shall be deemed to have been delivered on the earlier of (A) the date on which the Borrower has posted such information on the Securities and Exchange Commission's website and (B) the date on which the Borrower has posted such information, and has provided notice to the Administrative Agent of such posting of, such information on the Borrower's website and/or on the internet at the website address provided in such notice, or at another website accessible by the Lenders without charge.

The Borrower hereby acknowledges that (a) the Administrative Agent will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "***Borrower Materials***") by posting the Borrower Materials on DebtDomain® or another similar electronic system (the "***Platform***") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower or its securities) (each, a "***Public Lender***"). The Borrower hereby agrees that, if requested by the Administrative Agent, it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (i) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (ii) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (*provided, however*, that to the extent such Borrower Materials constitute Proprietary Information, they shall be treated as set forth in Section 9.15); (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (iv) the Administrative Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor." Notwithstanding the foregoing, (x) the Borrower shall be under no Obligation to mark any Borrower Materials "PUBLIC" and (y) each Public Lender shall designate to the Administrative Agent one or more persons who are entitled to receive and view Borrower Materials containing material non-public information to the same extent as Lenders that are not Public Lenders.

a. Litigation and Other Notices

. Furnish to the Administrative Agent written notice of the following promptly after a Responsible Officer of a Loan Party learns of it (for further delivery by the Administrative Agent to the Lenders in accordance with its customary practice):

i. any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto;

ii. the filing or commencement of, or any written threat or notice of intention of any Person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against the Borrower or any Affiliate thereof as to which there is a reasonable probability of an adverse determination and which, if such probable adverse determination occurred, could reasonably be anticipated to result in a Material Adverse Effect; and

iii. any development that has resulted in a Material Adverse Effect.

b. ERISA

. (a) Comply with the applicable provisions of ERISA, except where the failure to comply could not reasonably be expected to have a Material Adverse Effect and (b) furnish to the Administrative Agent and each Lender (i) as soon as possible, and in any event within 30 days after any Responsible Officer of the Borrower or any ERISA Affiliate either knows or has reason to know that any Reportable Event has occurred that alone or together with any other Reportable Event could reasonably be expected to result in a Material Adverse Effect, a statement of a Financial Officer of the Borrower setting forth details as to such Reportable Event and the action proposed to be taken with respect thereto, together with a copy of the notice, if any, of such Reportable Event given to the PBGC, (ii) promptly after receipt thereof, a copy of any notice the Borrower or any ERISA Affiliate may receive from the PBGC relating to the funded status of any Plan or to the intention of the PBGC to terminate any Plan or Plans (other than a Plan maintained by an ERISA Affiliate which is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code) or to appoint a trustee to administer any Plan or Plans, in each case, where such event could reasonably be expected to have a Material Adverse Effect, (iii) within 10 days after the due date for filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, in each case, where such event could reasonably be expected to have a Material Adverse Effect, a statement of a Financial Officer of the Borrower setting forth details as to such failure and the action proposed to be taken with respect thereto, together with a copy of such notice given to the PBGC and (iv) promptly and in any event within 30 days after receipt thereof by the Borrower or any ERISA Affiliate from the sponsor of a Multiemployer Plan, a copy of each notice received by the Borrower or any ERISA Affiliate concerning (A) the imposition of Withdrawal Liability or (B) a determination that a Multiemployer Plan is, or is expected to be, terminated or in reorganization, in each case within the meaning of Title IV of ERISA, in each case, that could reasonably be expected to have a Material Adverse Effect.

a. Maintaining Records; Access to Properties and Inspections

. Maintain all financial records in accordance with GAAP and upon reasonable notice by any Lender permit any representatives designated by such Lender, subject to Section 9.15, to visit and inspect the financial records and the properties of the Borrower or any Restricted Subsidiary at reasonable times during normal business hours and as often as requested and to make extracts from and copies of such financial records, and permit any representatives designated by any Lender to discuss the affairs, finances and condition of the Borrower or any Restricted Subsidiary with the officers thereof and independent accountants therefor. So long as no Event of Default exists, the Borrower shall not be required to reimburse the Administrative Agent or any Lender for expenses incurred in connection with any such inspection or examination.

a. Use of Proceeds

. Use the proceeds of the Loans only (a) to pay certain existing Indebtedness of the Borrower and its Subsidiaries on the Closing Date, (b) to pay fees and expenses in connection with the entering into of this Agreement and the Facilities, and the related transactions, and (c) for general corporate purposes of the Borrower and its Restricted Subsidiaries, including, without limitation, working capital, investments, acquisitions, payments of dividends, repurchasing outstanding capital stock and capital expenditures (*provided* that such activities are permitted by any other provisions of this Agreement and the other Loan Documents). In no event shall (a) any part of the proceeds of the Loans be used by any Loan Party (i) to purchase or carry margin stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or (ii) fund any operations in, finance any investments or activities in, or make any payments to, a Person in violation of any Anti-Terrorism Law or any Anti-Corruption Laws, (b) the funds used to repay the Facilities be derived from any unlawful activity in violation of any Anti-Terrorism Law or any Anti-Corruption Laws (c) more than twenty-five percent (25%) of the value of the assets of the Borrower and its Subsidiaries be Margin Stock.

a. Additional Subsidiaries; Principal Properties

.

i. [Reserved].

ii. Additional Domestic Subsidiary. If at any time after the Closing Date the Company or any Subsidiary creates or acquires any Domestic Subsidiary that is to be designated as an Unrestricted Subsidiary for the fiscal period in which it was created or acquired, not later than the required date of delivery of the certificate required by Section 5.04(c) for the fiscal period in which such Domestic Subsidiary was formed or acquired (or such later date as may be agreed by the Administrative Agent, in its discretion), the Company shall designate such Domestic Subsidiary as an Unrestricted Subsidiary in accordance with Section 5.09(c).

iii. Designation and Redesignation of Subsidiaries. So long as no Default or Event of Default exists or would result from such designation or redesignation, the Company may, at any time upon written notice to the Administrative Agent, (1) redesignate any Restricted Subsidiary as an Unrestricted Subsidiary, (2) redesignate any Domestic Subsidiary previously designated as an Unrestricted Subsidiary as a Restricted Subsidiary, (3) designate any newly created or acquired Domestic Subsidiary as an Unrestricted Subsidiary or (4) designate any Subsidiary formed in connection with a Permitted Corporate Transaction as a Restricted Subsidiary or an Unrestricted Subsidiary. Other than in connection with a Permitted Corporate Transaction, no such designation of a new Subsidiary as an Unrestricted Subsidiary or redesignation of a Restricted Subsidiary as an Unrestricted Subsidiary under this subsection (c) shall be permitted unless, at the time in question, the Company would have the right, without causing a Default or Event of Default, to invest an amount of money equal to the value of such Unrestricted Subsidiary's assets directly or indirectly in the equity of such Unrestricted Subsidiary in compliance with Section 6.04.

iv. [Reserved].

v. Sanctions and Anti-Corruption Laws. The Loan Parties and all of their respective Subsidiaries will maintain in effect policies and procedures designed to promote compliance by the Loan Parties and their respective Subsidiaries and their respective directors, officers, employees and agents with applicable Sanctions and Anti-Corruption Laws, the Trading with the Enemy Act and the Patriot Act.

B. NEGATIVE COVENANTS

The Borrower covenants and agrees with each Lender and the Administrative Agent that, so long as this Agreement shall remain in effect or the principal of or interest on any Loan, any fees or any other expenses or amounts payable under any Loan Document shall be unpaid (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted), unless the Required Lenders shall otherwise consent in writing, the Borrower shall not, and shall not cause or permit any of the Restricted Subsidiaries to:

a. Indebtedness

. Incur, create or assume any Indebtedness if a Default or an Event of Default would exist after giving effect to the incurrence, creation or assumption of such Indebtedness.

a. Liens

. Create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any Person, including any Restricted Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights (excluding rights of first refusal) in respect of any thereof, except Liens satisfying any of the following tests:

i. Liens on property or assets of the Borrower and its Restricted Subsidiaries existing on the date hereof and set forth in Schedule 6.02; *provided, however*, that such Liens shall secure only those obligations which they secure on the date hereof except as otherwise permitted hereunder;

ii. any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Restricted Subsidiary; *provided, however*, that (i) such Lien is not created in contemplation of or in connection with such acquisition and (ii) such Lien does not apply to any other property or assets of the Borrower or any Restricted Subsidiary;

iii. Liens for taxes, assessments or governmental or quasi-governmental charges or levies not yet due or which are being contested in compliance with Section 5.03;

iv. carriers', warehousemen's, mechanics, materialmen's, repairmen's or other like Liens arising in the ordinary course of business and securing obligations that are not due or which are being contested in compliance with Section 5.03;

v. statutory liens of landlords in respect of property leased by the Borrower or any Restricted Subsidiary;

vi. pledges and deposits made in the ordinary course of business in compliance with workmen's compensation, unemployment insurance and other social security laws or regulations;

vii. deposits and other Liens in scope consistent with industry practice to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than Capital Lease Obligations), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

viii. zoning restrictions, easements, rights-of-way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower and its Restricted Subsidiaries taken as a whole;

ix. Liens created under the Loan Documents to secure the Obligations (and refinancings thereof);

x. other Liens to secure purchase-money Indebtedness (including Capital Lease Obligations) of the Borrower or any Restricted Subsidiary; and refinancings, renewals and replacements thereof, *provided* that (i) such Liens do not apply to any property or assets of the Borrower or any Restricted Subsidiary consisting of franchise brands (whether now owned or hereafter acquired) and related Franchise Agreements and (ii) each such Lien is limited to the property and assets acquired in connection with such purchase-money Indebtedness;

xi. other Liens to secure Non-Recourse Indebtedness of the Borrower or any Restricted Subsidiary and refinancings, renewals and replacements thereof, *provided* that such Liens do not apply to any property or assets of the Borrower or any Restricted Subsidiary consisting of franchise brands (whether now owned or hereafter acquired) and related Franchise Agreements;

xii. Liens to secure Recourse Indebtedness of the Borrower or any Restricted Subsidiary and permitted refinancings thereof, *provided* that (i) such Lien does not apply to any property or assets of the Borrower or such Restricted Subsidiary consisting of franchise brands (whether now owned or hereafter acquired) and related Franchise Agreements and (ii) the aggregate outstanding principal amount of Recourse Indebtedness secured by Liens shall not at any time exceed the greater of (A) $100,000,000 and (B) 15% of Consolidated Net Assets;

xiii. Liens on the property of the Borrower or any of its Restricted Subsidiaries in favor of landlords securing licenses, subleases or leases entered into in the ordinary course of business and not materially interfering with the conduct of the business of the Borrower and its Restricted Subsidiaries taken as a whole;

xiv. Liens arising from precautionary UCC financing statement filings (or equivalent filings, registrations or agreements in foreign jurisdictions) regarding operating leases entered into by the Borrower or any of its Restricted Subsidiaries in the ordinary course of business;

xv. Liens securing judgments which do not constitute an Event of Default or Liens created by or existing from any litigation or legal proceeding that are currently being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP;

xvi. customary Liens in favor of a banks or other depository or financial institutions arising as a matter of law and encumbering deposits or other funds maintained with such financial institution (including rights of setoff);

xvii. Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

xviii. Liens of a collecting bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;

xix. Liens in the nature of good faith deposits required in connection with, or escrow arrangements securing indemnification obligations associated with, any investment transaction permitted under Section 6.04;

xx. Liens resulting from the refinancing, renewal or extension of obligations secured by any Lien permitted by clause (a) or (b) of this Section 6.02, so long as (x) the principal amount of the obligations secured thereby is not increased as a result thereof (except to the extent Liens securing any such incremental obligations are independently permitted under (and applied as a utilization of the basket described in) Section 6.02(l) above) and (y) such renewals, replacements and extensions do not result in Liens applying to any property or assets which are not already subject to the Liens securing the respective obligations being renewed, replaced or extended;

xxi. Liens on the Securitization Assets arising in connection with a Qualified Securitization Financing, including, to the extent consistent with customary market practice for such financing, Liens on Capital Stock or other securities issued by a Securitization Subsidiary securing obligations under such Qualified Securitization Financing; and

xxii. Liens on any Principal Property or the Capital Stock of any Principal Property Subsidiary granted in favor of the trustee under the Indenture that are *pari passu* with the Liens granted in favor of the Administrative Agent under the Loan Documents.

b. Sale and Lease-Back Transactions

. Enter into any Sale and Lease-Back Transaction unless immediately thereafter the value (determined as of the time of sale in accordance with GAAP) of all property the subject of Sale and Lease-Back Transactions, when added to the aggregate principal amount of Indebtedness of the Borrower or any Restricted Subsidiary secured at such time by Liens permitted only under Sections 6.02(j) and (k), does not exceed 15% of Consolidated Total Assets at such time.

a. Investments, Loans and Advances

. Purchase, hold or acquire any Capital Stock, comparable ownership interests, evidences of indebtedness or other securities of, make or permit to exist any loans or advances to, or make any investment or any other interest in, any other Person, except:

i. (i) loans, advances, capital contributions, guarantees and other investments existing on the date hereof and (ii) loans, advances, capital contributions, guarantees and other investments by the Borrower or any Restricted Subsidiary in the capital stock or comparable ownership interests of any

Subsidiary (other than with respect to Unrestricted Subsidiaries), including by means of contributions by any Subsidiary of Hotel Properties;

ii. loans, advances, capital contributions, guarantees and other investments by the Borrower to Restricted Subsidiaries or by Subsidiaries to the Borrower or any Restricted Subsidiary, in each case to the extent no Default or Event of Default would result after giving effect thereto;

iii. Permitted Liquid Investments;

iv. so long as no Default or Event of Default has occurred and is continuing, loans and advances by the Borrower and its Restricted Subsidiaries to their employees, officers, and directors in the ordinary course of business in an aggregate amount outstanding at any time not in excess of $2,000,000;

v. (i) other investments, capital contributions, guarantees, loans and advances made in connection with hospitality-related business activities and ancillary business activities reasonably related thereto (other than with respect to Unrestricted Subsidiaries), (ii) loans, advances, capital contributions, guarantees and other investments by the Borrower or any Restricted Subsidiary in any Unrestricted Subsidiary on an Arms-Length Basis, (iii) capital contributions to Unrestricted Subsidiaries to the extent permitted by clause (b) of Section 6.07 and (iv) Permitted Non-Arms-Length Unrestricted Subsidiary Investments; *provided* that, in each case of this clause (e), at the time that any such investment is incurred, (x) no Default or Event of Default has occurred and is continuing, or would exist after giving effect thereto and (y) the Borrower is in compliance with Sections 6.11 and 6.12 (both immediately before and immediately after giving effect thereto);

vi. so long as no Default or Event of Default has occurred and is continuing, repurchases of the outstanding stock of the Borrower in accordance with Section 6.10;

vii. other investments, capital contributions, guarantees, loans and advances not otherwise permitted pursuant to this Section 6.04 in an aggregate amount outstanding at any time not in excess of $50,000,000;

viii. subject to the satisfaction of the requirements of the definition of "Qualified Securitization Financing", (i) loans, advances, capital contributions, guarantees and other investments in or relating to a Securitization Subsidiary that, in the good faith determination of the Borrower are necessary or advisable to effect any Qualified Securitization Financing (including any contribution of replacement or substitute assets to such subsidiary) or any repurchase obligation in connection therewith and (ii) distributions or payments of Securitization Fees and purchases of Securitization Assets in connection with a Qualified Securitization Financing;

ix. Hedging Agreements of the Borrower or any of its Restricted Subsidiaries entered into by such Person in the ordinary course of business for non-speculative purposes; and

x. To the extent constituting an investment, obligations of the Company arising under Article X hereof.

For purposes of Section 5.09(b) and clauses (d), (e)(iii) and (g) of this Section 6.04, calculations shall be on the basis of amounts actually invested, net of any return on investment or return of capital with respect to such investments, and without regard to any write-up or write-down of the value of such investments.

a. Mergers and Consolidations

. Merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all its assets whether now owned or hereafter acquired, including by an allocation of assets among newly divided limited liability companies pursuant to a "plan of division" under the Delaware Limited Liability Company Act, except that:

i. (i) the Borrower may merge or consolidate with a Subsidiary or (ii) a Subsidiary may merge or consolidate with the Borrower, in each case so long as the Borrower is the surviving entity;

ii. any Subsidiary may merge or consolidate with another Subsidiary; *provided* that if the surviving entity is a Domestic Subsidiary that is to constitute an Unrestricted Subsidiary, the provisions of Section 5.09(b) shall apply.

iii. any Restricted Subsidiary may merge or consolidate with another Restricted Subsidiary;

iv. the Borrower or any Subsidiary may merge or consolidate with another Person; *provided, however*, that (i) the Borrower or such Subsidiary is the surviving entity, or in the case of a Subsidiary, such merger or consolidation of such Subsidiary into another Person is a disposition or Asset Sale permitted hereunder and (ii) no Default or Event of Default has occurred and is continuing, or would exist after giving effect to such merger or consolidation; and

v. the Borrower and any of its Restricted Subsidiaries may consummate dispositions and Asset Sales permitted by Section 6.06.

b. Asset Sales

. Consummate any Asset Sale if (a) a Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto or (b) such Asset Sale consists of any franchise brand (whether now owned or hereafter acquired) and the Borrower would not be in pro forma compliance with the covenants set forth in Sections 6.11 and 6.12 after giving effect to such Asset Sale and any substantially simultaneous repayment of Indebtedness with the proceeds thereof.

a. Transactions with Affiliates

. Other than (a) investments, loans, advances, guarantees and other transactions permitted pursuant to Section 6.04, Section 6.05 and Section 6.10, (b) capital contributions to Unrestricted Subsidiaries that are Wholly Owned Subsidiaries, (c) transactions pursuant to the reasonable requirements of the Borrower's or a Restricted Subsidiary's business and consistent with the types of transactions entered into by the Borrower or its Restricted Subsidiaries with Unrestricted Subsidiaries prior to the Closing Date (as determined in good faith by the Borrower), (d) transactions among the Borrower and its Restricted Subsidiaries and (e) in connection with a Permitted Corporate Transaction, sell or transfer any property or assets to, guarantee Indebtedness for the benefit of, make investments in or loans to, or purchase or acquire any property or assets from, or otherwise enter into any other transactions with, any of its Affiliates (other than the Borrower and its Restricted Subsidiaries) that would be material in relation to the business, operations, financial condition or properties of the Borrower and its Restricted Subsidiaries, taken as a whole, unless such transaction is conducted on an Arms-Length Basis.

a. Certain Accounting Changes; Organizational Documents

. (a) Change its fiscal year end from December 31, or make any change in its accounting treatment and reporting practices except as required or permitted by GAAP, (b) amend, modify or change its articles of incorporation (or corporate charter or other similar organizational documents) or amend, modify or change its bylaws (or other similar documents) in any manner that is adverse in any material respect to the rights or interests of the Lenders or (c)(i) with respect to the Company, any Designated Borrower that is a Domestic Subsidiary and any Designated Borrower that is a Foreign Subsidiary of the type described in clause (ii) of the definition thereof, reorganize or reincorporate in a jurisdiction (other than its then-existing jurisdiction of organization or incorporation or another jurisdiction located in the United States) and (ii) with respect to any Designated Borrower that is a Foreign Subsidiary of the type described in clause (i) of the definition thereof, reorganize or reincorporate in a jurisdiction (other than its then-existing jurisdiction of organization or incorporation).

a. [Reserved]

.

a. Restricted Payments

. Declare or pay any dividends, purchase, redeem, retire, defease or otherwise acquire for value any Capital Stock of the Borrower now or hereafter outstanding, return any capital to stockholders of the Borrower, or make any distribution of assets, Capital Stock, obligations or securities to its stockholders (collectively, "***Restricted Payments***"); *provided*, *however*, that the Borrower may take such actions only so long as no Event of Default shall have occurred and be continuing or would result therefrom.

a. Consolidated Leverage Ratio

. As of the last day of each fiscal quarter commencing with the fiscal quarter ending on September 30, 2018 and thereafter, in the case of the Borrower, permit the Consolidated Leverage Ratio to exceed 4.50:1.00; *provided*, *however*, that on up to two (2) nonconsecutive occasions, the Consolidated Leverage Ratio may increase to a maximum of 5.50:1.00 for up to three (3) consecutive fiscal quarters commencing with the fiscal quarter in which a Material Acquisition has occurred.

a. Consolidated Fixed Charge Coverage Ratio

. In the case of the Borrower, permit the Consolidated Fixed Charge Coverage Ratio as of the last day of each fiscal quarter commencing with the fiscal quarter ending on September 30, 2018 to be less than 2.50:1.00; *provided*, that if the Borrower shall have achieved an Investment Grade Rating, then for so long as the Borrower maintains an Investment Grade Rating, the requirements of this Section 6.12 shall no longer apply for all purposes of this Agreement (including for purposes of any other provision that references this Section 6.12).

a. OFAC

. The Borrower will not (A) knowingly engage in, or permit any Subsidiary to engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is, or whose government is, the subject of Sanctions or (B) directly or indirectly use the proceeds of the Loans, or lend, contribute or otherwise make available to any Subsidiary, joint venture partner or other Person such extensions of credit or proceeds, (i) to fund any activities or businesses of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Facility, whether as underwriter, advisor, investor, or otherwise) or any Anti-Corruption Laws.

A. EVENTS OF DEFAULT

In case of the happening of any of the following events ("***Events of Default***"):

i. any representation or warranty made or deemed made (such representation or warranty being deemed made as provided in Section 4.01) in or in connection with any Loan Document or Loan hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished;
ii. default shall be made in the payment of any principal of any Loan 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;
iii. default shall be made in the payment of any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of five Business Days;
iv. default shall be made in the due observance or performance by the Borrower of any covenant, condition or agreement contained in Section 5.01(a) or in Article VI;
v. default shall be made in the due observance or performance by the Borrower of any covenant, condition or agreement contained in any Loan Document (other than those specified in clauses (b), (c) and (d) above) and such default shall continue unremedied (i) for a period of 10 Business Days after notice thereof from the Administrative Agent to the Borrower in the case of Sections 5.04(a), 5.04(b), 5.04(c) or 5.05(a) or (ii) for a period of 30 days after notice from the Administrative Agent to the Borrower in all other cases;
vi. the Borrower or any other Loan Party shall (i) fail to pay any principal or interest due in respect of any Indebtedness (other than in respect of the Facility) in an aggregate principal amount (or, with respect to any Hedging Agreement, the Termination Value) in excess of $50,000,000, when and as the same shall become due and payable by the Borrower or such Loan Party, after taking into account all applicable notice, grace or cure periods or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any Indebtedness (other than in respect of the Facility) in an aggregate principal amount (or, with respect to any Hedging Agreement, the Termination Value) in excess of $50,000,000, if the effect of such failure or event referred to in this clause (ii) is to cause such Indebtedness to become due prior to its stated maturity or, with respect to a Hedging Agreement, such Hedging Agreement to be terminated;
vii. an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Borrower or any other Loan Party (other than an Insignificant Subsidiary), or of a substantial part of the property or assets of the Borrower or any other Loan Party (other than an Insignificant Subsidiary), under Title 11 of the United States Code, as now constituted

or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any other Loan Party (other than an Insignificant Subsidiary), or for a substantial part of the property or assets of the Borrower or any other Loan Party (other than an Insignificant Subsidiary), or (iii) the winding-up or liquidation of the Borrower or any other Loan Party (other than an Insignificant Subsidiary); and such proceeding or petition shall continue undismissed for 90 days or an order or decree approving or ordering any of the foregoing shall be entered;

viii. the Borrower or any other Loan Party (other than an Insignificant Subsidiary), shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in clause (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any other Loan Party (other than an Insignificant Subsidiary) or for a substantial part of the property or assets of the Borrower or any other Loan Party (other than an Insignificant Subsidiary), (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

ix. one or more judgments for the payment of money in an aggregate amount (net of any amounts paid or fully covered by independent third party insurance as to which the relevant insurance company does not dispute coverage) in excess of $50,000,000 shall be rendered against the Borrower, any other Loan Party or any combination thereof and the same shall remain undischarged for a period of 90 consecutive days during which execution shall not be effectively stayed, or any judgment creditor shall levy upon assets or properties of the Borrower or any other Loan Party to enforce any such judgment and such levy has not been effectively stayed within 10 days;

x. a Reportable Event or Reportable Events, or a failure to make a required installment or other payment (within the meaning of Section 430 of the Code), shall have occurred with respect to any Plan or Plans that reasonably could be expected to result in liability of the Borrower to the PBGC or to a Plan and, within 30 days after the reporting of any such Reportable Event to the Administrative Agent or after the receipt by the Administrative Agent of the statement required pursuant to Section 5.06, the Administrative Agent shall have notified the Borrower in writing that (i) the Required Lenders have made a determination that, on the basis of such Reportable Event or Reportable Events or the failure to make a required payment, there are reasonable grounds (A) for the termination of such Plan or Plans by the PBGC, (B) for the appointment by the appropriate United States District Court of a trustee to administer such Plan or Plans or (C) for the imposition of a lien in favor of a Plan or the PBGC and that such events or conditions, together with all other events or conditions described in this clause (j), if any, could reasonably be expected to have a Material Adverse Effect and (ii) as a result thereof an Event of Default exists hereunder; or (x) a trustee shall be appointed by a United States District Court to administer any such Plan or Plans or (y) the PBGC shall institute proceedings to terminate any Plan or Plans, and in each case of this clause (j), such event, together with all other such events or conditions described in this clause (j), if any, could reasonably be expected to have a Material Adverse Effect;

xi. (i) the Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan and (ii) the Borrower or such ERISA Affiliate does not have reasonable grounds for contesting such Withdrawal Liability or is not in fact contesting such Withdrawal Liability in a timely and appropriate manner, and in each case of this clause (k), such event or condition, together with all other such events or conditions described in this clause (k), if any, could reasonably be expected to have a Material Adverse Effect;

xii. the Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, and in each case of this clause (l), such event or condition, together with all other such events or conditions described in this clause (l), if any, could reasonably be expected to have a Material Adverse Effect;

xiii. there shall have occurred a Change in Control; or

xiv. [Reserved];

then, and in every such event (other than an event with respect to the Borrower described in clause (g) or (h) above), and at any time thereafter during the continuance of such event, the Administrative Agent, at the request of the Required Lenders, shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to the Borrower described in clause (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

A. THE AGENT

a. Appointment

. Each of the Lenders hereby irrevocably designates and appoints the Administrative Agent named herein to act on its behalf as the Administrative Agent of such Lender under this Agreement and the other Loan Documents for the term hereof and each such Lender irrevocably authorizes the Administrative Agent named herein, as Administrative Agent for such Lender, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and such other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement or such other Loan Documents, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein and therein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or the other Loan Documents or otherwise exist against the Administrative Agent. Any reference to the Administrative Agent in this Article VIII shall be deemed to refer to the Administrative Agent solely in its capacity as Administrative Agent and not in its capacity as a Lender.

a. Delegation of Duties

. The Administrative Agent may execute any of its respective duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by the Administrative Agent with reasonable care, *provided* that this Section 8.02 shall not be construed to relieve such agents or attorneys-in-fact from liability.

a. Exculpatory Provisions

. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact, subsidiaries or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or the other Loan Documents (except for actions occasioned directly by its or such Person's own gross negligence or willful misconduct), or (b) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower or any of the Loan Parties or any officer thereof contained in this Agreement or the other Loan Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or the other Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the other Loan Documents or for any failure of the Borrower or any of the Loan Parties to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower or any of the Loan Parties.

a. Reliance by the Administrative Agent

.

i. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, email, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement and the other Loan Documents unless it shall first receive such advice or concurrence of the Required Lenders (or, when expressly required hereby or by the relevant other Loan Documents, all the Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action except for its own gross negligence or willful misconduct. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Required Lenders (or, when expressly required hereby, all the Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

ii. For purposes of determining compliance with the conditions specified in Section 4.02, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

iii. The Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt, any action that may be in violation of the automatic stay under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Federal, state or foreign bankruptcy, insolvency, receivership or similar law.

b. Notice of Default

. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless it has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, it shall promptly give notice thereof to the Swingline Lender and the other Lenders (and if the notice comes from the Swingline Lender or any other Lender, to the Borrower). The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, when expressly required hereby, all the Lenders), *provided* that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders, except to the extent that other provisions of this Agreement expressly require that any such action be taken or not be taken only with the consent and authorization or the request of the Lenders or Required Lenders, as applicable.

a. Non-Reliance on the Administrative Agent and Other Lenders

. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact, subsidiaries or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrower or any Loan Party, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and its Subsidiaries and made its own decision to make its Loans and enter into this Agreement. Each Lender also represents 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 analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower or any Loan Party. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder or by the other Loan Documents, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower or any of the Loan Parties which may come into the possession of the Administrative Agent or any of its respective officers, directors, employees, agents, attorneys-in-fact, subsidiaries or Affiliates. Nothing in this Agreement or any other Loan Document shall require the Administrative Agent or any of its directors, officers, agents or employees to carry out any "know your customer" or other checks in relation to any Person on behalf of any Lender and each Lender confirms to the Administrative Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Administrative Agent or any of its respective directors, officers, agents or employees.

a. Indemnification

. The Lenders agree to indemnify the Administrative Agent in its capacity as such and (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to the respective amounts of their Pro Rata Percentages from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or the other Loan Documents, or any documents, reports or other information provided to the Administrative Agent or any Lender or contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; *provided* that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Administrative Agent's bad faith, gross negligence or willful misconduct. The agreements in this Section 8.07 shall survive the payment of the Obligations and the termination of this Agreement.

a. The Administrative Agent in Its Individual Capacity

. The Administrative Agent and its respective subsidiaries and Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower as though the Administrative Agent were not the Administrative Agent hereunder. With respect to any Loans made or renewed by it, the Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity. The relationship between the Administrative Agent and the Lenders, and the relationship among the Lenders, is not intended by the parties to create, and shall not create, any trust, joint venture or partnership relation between them.

a. Resignation of the Administrative Agent; Successor Administrative Agent

. Subject to the appointment and acceptance of a successor as provided below, the Administrative Agent may resign as the Administrative Agent at any time by giving notice thereof to the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall appoint from among the Lenders a successor Administrative Agent for the Lenders, which successor Administrative Agent shall be consented to by the Borrower at all times other than during the existence of an Event of Default (which consent of the Borrower shall not be unreasonably withheld or delayed). If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the Administrative Agent's giving of notice of resignation, then the Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which successor shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States, *provided* that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (i) the Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, (ii) all payments, and communications provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly and (iii) all determinations provided to be made by the Administrative Agent shall instead be made by the Required Lenders, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of any appointment as an Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder without any other or further act or deed on the part of such retiring Administrative Agent or any other Lender. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article VIII and Section 9.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent under this Agreement. If no successor Administrative Agent has accepted appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Required Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above.

a. Other Agents, Arrangers and Managers

. None of the Persons identified on the facing page, in the preamble of this Agreement or on the signature pages of this Agreement as a "co-syndication agent," "co-documentation agent," "joint book-running manager" or "joint lead arranger" shall have any right, power, obligation, liability, responsibility or duty under this Agreement in such capacity. Without limiting the foregoing, none of the Persons so identified shall in such capacity have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

a. [Reserved].

b. Certain ERISA Matters

. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent and each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

a. such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans in connection with the loans, advances or the Commitments,

b. the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the obligations of such Lender in respect of the loans, advances, the Commitments and this Agreement, or

c. (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the obligations of such Lender in respect of the loans, advances, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the obligations of such Lender in respect of the loans, advances, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the obligations of such Lender in respect of the loans, advances, the Commitments and this Agreement.

i. In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender, such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent, the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent, Arrangers or their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

B. MISCELLANEOUS

a. Notices

. Except as otherwise provided in this Agreement, all notices and communications hereunder shall be in writing (for purposes hereof, the term "writing" shall include information in electronic format such as electronic mail, telecopy and internet web pages), or by telephone subsequently confirmed in writing. Any notice shall be effective if delivered by hand delivery or sent via electronic mail, posting on an internet web page, telecopy, recognized overnight courier service or certified mail, return receipt requested, and shall be presumed to be received by a party hereto (i) on the date of delivery if delivered by hand or sent by electronic mail, posting on an internet web page, telecopy, (ii) on the next Business Day if sent by recognized overnight courier service and (iii) on the third Business Day following the date sent by certified mail, return receipt requested. A telephonic notice to the Administrative Agent as understood by the Administrative Agent will be deemed to be the controlling and proper notice in the event of a discrepancy with or failure to receive a confirming written notice. Notices to any party shall be sent to it at the following addresses, or any other address as to which all the other parties are notified in writing:

i. if to the Borrower, at 1 Choice Hotels Circle, Suite 400, Rockville, Maryland 20850, Attention of General Counsel at simone.wu@choicehotels.com and contracts@choicehotels.com, with a copy to the Chief Financial Officer of the Borrower at dominic.dragisich@choicehotels.com and maria.uy@choicehotels.com;

ii. if to the Administrative Agent, to Deutsche Bank AG New York Branch, 60 Wall Street, 2nd Floor, New York, New York 10005, Attention: Philip Tancorra, email: Philip.tancorra@db.com and ldcm.loanmgmt@db.com, Phone No.: 212-250-6576; and

iii. if to a Lender, to it at its address (or facsimile number) set forth in Schedule 2.01 or in the Assignment and Acceptance or accession agreement executed and delivered in accordance with Section 2.24 or 2.28(a), as the case may be, pursuant to which such Lender became a party hereto.

Except as otherwise provided in Section 9.14(c), 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, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01.

a. Survival of Agreement

. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Administrative Agent and the Lenders and shall survive the making by the Lenders of the Loans, regardless of any investigation made by the Administrative Agent or the Lenders or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted) and so long as the Commitments have not been terminated.

a. Binding Effect

. This Agreement shall become effective when it shall have been executed by the Borrower and the Administrative Agent and when the Administrative Agent shall have received copies hereof which, when taken together, bear the signatures of each Lender, and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and assigns, except that the Borrower may not assign or delegate its rights or obligations hereunder or any interest herein without the prior consent of all the Lenders.

a. Successors and Assigns

.

i. 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; and all covenants, promises and agreements by or on behalf of the Borrower, the Administrative Agent or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

ii. Each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); *provided, however*, that (i) except in the case of an assignment to a Lender or a Lender Affiliate, the Borrower (unless an Event of Default has occurred and is continuing, in which case the Borrower's consent to such assignment shall not be required) and the Administrative Agent must give their prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), (ii) except in the case of an assignment to a Lender or a Lender Affiliate or an assignment of all of a Lender's Commitment, the amount of the 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 Administrative Agent) shall not be less than $5,000,000 and the amount of the Commitment of such Lender remaining after such assignment shall not be less than $5,000,000 or shall be zero, (iii) the parties to each such assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500 for the account of the Administrative Agent (*provided, however*, that (A) no such fee shall be payable in the case of an assignment to a Lender Affiliate and (B) the Administrative Agent shall have the right to waive such fee in its sole discretion) and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Upon acceptance and recording pursuant to Section 9.04(e), from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five Business Days after the execution thereof, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by 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 an assigning Lenders rights and obligations under this Agreement, such Lender shall cease to be a party hereto (but shall continue to be entitled to the benefits of Sections 2.17, 2.18, 2.19, 2.20 and 9.05, as well as to any fees accrued for its account hereunder and not yet paid)). If the consent of the Borrower is required pursuant to this Section 9.04, and the Borrower does not respond to the Administrative Agent's request for consent within five (5) Business Days of the receipt of such request, the consent shall be deemed given. Notwithstanding the foregoing, no such assignment will be made by any Lender to any Defaulting Lender or any of their respective Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this sentence.

iii. By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Commitment, and the outstanding balances of its Loans, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Acceptance, (ii) except as set forth in clause (i) above, such 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 this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto or the financial condition of the Borrower or any Subsidiary or the performance or observance by the Borrower or any Subsidiary of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.04 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; (v) such assignee will independently and without reliance upon the Administrative Agent, such assigning Lender 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; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

iv. The Administrative Agent shall maintain at one of its offices 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 Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive in the absence of manifest error and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender (with respect to such Lender's information), at any reasonable time and from time to time upon reasonable prior notice.

v. Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee together with (i) an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), (ii) if applicable, the processing and recordation fee referred to in Section 9.04(b) and (iii) if required, the written consent of the Borrower and the Administrative Agent to such assignment, the Administrative Agent shall (A) accept such Assignment and Acceptance, (B) record the information contained therein in the Register and (C) give prompt notice thereof to the Lenders.

vi. Each Lender may without the consent of or notice to the Borrower, the Administrative Agent or any other Lender sell participations to one or more banks or other entities (excluding any natural person, the Borrower or any Affiliate or Subsidiary of the Borrower) in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it) in a minimum gross amount of $5,000,000 per participating bank or entity; *provided, however*, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the benefit of the cost protection provisions contained in Sections 2.17, 2.18, 2.19, 2.20 and 9.06 to the same extent as if they were Lenders but not in excess of those cost protections to which the Lender from which it purchased its participation would be entitled to under Sections 2.17, 2.18, 2.19, 2.20 and 9.06 and (iv) the Borrower, the Administrative Agent, and the other Lenders shall continue to deal solely and directly with such Lender (and shall not be required to deal with any participating bank or other entity, notwithstanding any other provision contained herein) in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable hereunder to such Lender, increasing the Commitment of such Lender or decreasing the amount of principal of or the rate at which interest is payable on the Loans of such Lender, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans of such Lender.

vii. Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.04, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; *provided, however*, that, prior to any such disclosure of information designated by the Borrower as confidential, each such assignee or participant or proposed assignee or participant shall execute an agreement whereby such assignee or participant shall agree to preserve the confidentiality of such confidential information. It is understood that confidential information relating to the Borrower would not ordinarily be provided in connection with assignments or participations of Competitive Bid Loans.

viii. Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement, including in favor of the Federal Reserve Bank; *provided, however*, that no such assignment shall release a Lender from any of its obligations hereunder.

ix. Any Lender (each, a "***Designating Lender***") may at any time designate one Designated Bank to fund Competitive Bid Loans on behalf of such Designating Lender subject to the terms of this Section 9.04(i), and the provisions in 9.04(b) and (f) shall not apply to such designation. No Lender may designate more than one (1) Designated Bank. The parties to each such designation shall execute and deliver to the Administrative Agent for its acceptance a Designation Agreement. Upon such receipt of an appropriately completed Designation Agreement executed by a Designating Lender and a designee representing that it is a Designated Bank, the Administrative Agent will accept such Designation Agreement and will give prompt notice thereof to the Borrower, whereupon, (i) if requested by the Designated Bank, the Borrower shall execute and deliver to the Designated Bank a Designated Bank Note payable to the order of the Designated Bank, (ii) from and after the effective date specified in the Designation Agreement, the Designated Bank shall become a party to this Agreement with a right to make Competitive Bid Loans on behalf of its Designating Lender pursuant to Section 2.04 after the Borrower has accepted a Competitive Bid Loan (or portion thereof) of such Designating Lender, and (iii) the Designated Bank shall not be required to make payments with respect to any obligations in this Agreement except to the extent of excess cash flow of such Designated Bank which is not otherwise required to repay obligations of such Designated Bank which are then due and payable; *provided, however*, that regardless of such designation and assumption by the Designated Bank, the Designating Lender shall be and remain obligated to the Borrower, the Administrative Agent and the other Lenders for each and every of the obligations of the Designating Lender and its related Designated Bank with respect to this Agreement, including, without limitation, any indemnification obligations hereunder and any sums otherwise payable to the Borrower by the

Designated Bank. Each Designating Lender shall serve as the Administrative Agent of the Designated Bank and shall on behalf of, and to the exclusion of, the Designated Bank: (i) receive any and all payments made for the benefit of the Designated Bank and (ii) give and receive all communications and notices and take all actions hereunder, including, without limitation, votes, approvals, waivers, consents and amendments under or relating to this Agreement and the other Loan Documents. Any such notice, communication, vote, approval, waiver, consent or amendment shall be signed by the Designating Lender as Administrative Agent for the Designated Bank and shall not be signed by the Designated Bank on its own behalf but shall be binding on the Designated Bank to the same extent as if actually signed by the Designated Bank. The Borrower, the Administrative Agent and Lenders may rely thereon without any requirement that the Designated Bank sign or acknowledge the same. No Designated Bank may assign or transfer all or any portion of its interest hereunder or under any other Loan Document, other than assignments to the Designating Lender which originally designated such Designated Bank.

x. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment will be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and Swingline Loans in accordance with its Pro Rata Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder becomes effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest will be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

xi. Upon notice to the Borrower from the Administrative Agent or any Lender of the loss, theft, destruction or mutilation of any Lender’s promissory note, the Borrower will execute and deliver, in lieu of such original promissory note, a replacement promissory note, identical in form and substance to, and dated as of the same date as, the promissory note so lost, stolen or mutilated, subject to delivery by such Lender to the Borrower of an affidavit of lost note and indemnity in customary form. Upon the execution and delivery of the replacement promissory note, all references herein or in any of the other Loan Documents to the lost, stolen or mutilated promissory note shall be deemed references to the replacement promissory note.

xii. In the event WFB ceases to be a Lender hereunder (other than in the capacity as Swingline Lender) as a result of the operation of Section 2.16(c), Section 2.26 or otherwise, WFB shall resign as Swingline Lender effective upon the date upon WFB ceases to be a Lender hereunder (other than in the capacity as Swingline Lender) (such date, the "***Swingline Resignation Date***"). It shall be the responsibility of the Borrower and the Administrative Agent to appoint a successor to the Swingline Lender which successor shall accept by assignment all duties and obligations of the Swingline Lender. If no such successor shall have been so appointed by the Swingline Resignation Date, then, whether or not a successor has been appointed, such resignation shall nevertheless become effective and the Borrower and the Lenders shall repay in full all obligations owing to the Swingline Lender hereunder or under any other Loan Document as of such Swingline Resignation Date, the Swingline Commitment of WFB shall be terminated and WFB will have no further obligations or duties in its capacity as Swingline Lender hereunder.

b. Expenses; Indemnity

.

i. The Borrower agrees to pay all reasonable and documented out-of-pocket expenses (i) incurred by each of the Administrative Agent, the Arrangers and their Affiliates in connection with the preparation of this Agreement and the other Loan Documents delivered on the Closing Date and the syndication of the facilities provided for herein (whether or not the transactions hereby contemplated shall be consummated), (ii) incurred by the Administrative Agent in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions thereby contemplated shall be consummated), including without limitation, all costs related to electronic or internet distribution of information hereunder or (iii) incurred by the Administrative Agent or any Lender in connection with the enforcement or protection of their rights (as such rights may relate to the Borrower or any Restricted Subsidiary) in connection with this Agreement and the other Loan Documents or in connection with the Loans made hereunder, in each case including the reasonable and documented out-of-pocket fees and disbursements of the Administrative Agent, and, in connection with any "work-out" or any enforcement or protection of the rights of the Lenders or the Administrative Agent hereunder, any other counsel for the Administrative Agent and counsel for any Lender; *provided*, *however*, that in connection with any one such action or any separate but substantially similar or related actions in the same jurisdiction, the Borrower shall not be liable for the fees and expenses of more than one counsel to the Administrative Agent (along with one local counsel in each applicable jurisdiction) and one separate counsel to the Lenders (along with one local counsel in each applicable jurisdiction), unless there shall exist an actual conflict of interest among such Persons, and in such case, not more than one additional counsel to the affected parties (along with one additional local counsel in each applicable jurisdiction).

ii. The Borrower agrees to indemnify the Administrative Agent, the Swingline Lender, each Lender, each Arranger, each Joint Book-Running Manager, each Co-Syndication Agent, each Co-Documentation Agent and their respective affiliates and the respective directors, officers, employees and agents of each of the foregoing (each such Person, an "***Indemnitee***") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, obligations, actions or causes of action brought by a third party, settlement payments and related expenses, including reasonable and documented out-of-pocket counsel fees and expenses, incurred, suffered, sustained or required to be paid by or asserted against any Indemnitee by reason of or resulting from or in connection with any claim, litigation, investigation or proceeding (regardless of whether any Indemnitee is a party thereto) in any way related to (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions or (ii) the use of the proceeds of the Loans; *provided, however*, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (1) the gross negligence or willful misconduct of such Indemnitee or (2) the breach in bad faith by such Indemnitee of such Indemnitee's obligations under any Loan Document, (y) arise out of any claim or action that does not involve an act or omission of the Borrower or any of its Subsidiaries and that is brought by an Indemnitee against any other Indemnitee (other than any claim or action against any Indemnitee in its capacity or in fulfilling its role as the Administrative Agent, Swingline Lender or Arranger under the Facility) or (z) constitute amounts in respect of Excluded Taxes other than taxes arising from any non-tax claim. In the case of any claim, litigation, investigation or proceeding to which the indemnity in this Section 9.05(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, shareholders or creditors or any Indemnitee (subject to the proviso in the preceding sentence), whether or not any Indemnitee is otherwise a party thereto and whether or not the transactions contemplated by the Loan Documents are consummated. Promptly after receipt by an Indemnitee of notice of any complaint or the commencement of any action or proceeding with respect to which indemnification is being sought hereunder, such Person shall notify the Borrower of such complaint or of the commencement of such action or proceeding, but failure so to notify the Borrower will relieve the Borrower from any liability which the Borrower may have hereunder only if and to the extent that such failure results in the forfeiture by the Borrower of substantial rights and defenses, and shall not in any event relieve the Borrower from any other obligation or liability that the Borrower may have to any Indemnitee otherwise than under this Agreement. If the Borrower so elects or is requested by such Indemnitee, the Borrower shall assume the defense of such action or proceeding, including the employment of counsel reasonably satisfactory to the Indemnitee and the payment of the reasonable fees and disbursements of such counsel. In the event, however, such Indemnitee reasonably determines in its judgment that having common counsel would present such counsel with a conflict of interest or if the defendant in, or targets of, any such action or proceeding include both the Indemnitee and the Borrower, and such Indemnitee reasonably concludes that there may be legal defenses available to it or other Indemnitees that are different from or in addition to those available to the Borrower or if the Borrower fails to assume the defense of the action or proceeding or to employ counsel reasonably satisfactory to such Indemnitee, in either case in a timely manner, then the Indemnitee may employ separate counsel to represent or defend it in any such action or proceeding and the Borrower shall pay the reasonable fees and disbursements of such counsel. In any action or proceeding the defense of which the Borrower assumes, the Indemnitee shall have the right to participate in such litigation and to retain its own counsel at the Indemnitee's own expense. The Borrower further agrees that it shall not, without the prior written consent of the Indemnitee, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not an Indemnitee is an actual or potential party to such claim, action, suit or proceeding) unless such settlement, compromise or consent includes (i) an unconditional release of each Indemnitee hereunder from all liability arising out of such claim, action, suit or proceeding or (ii) a covenant not to sue each Indemnitee, or another similar alternative which is consented to by each Indemnitee party to such claim, action, suit or proceeding, which covenant not to sue or other approved alternative has the effect of an unconditional release of each Indemnitee hereunder from all liability arising out of such claim, action, suit or proceeding.

iii. The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, any Arranger or any Lender. All amounts due under this Section 9.05 shall be payable upon written demand therefor.

c. Right of Setoff

. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, but excluding trust accounts) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any of and all the Obligations held by such Lender which are then due and owing, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower and the Administrative Agent 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 9.06 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have (it being assumed for purposes of this Section 9.06 that such Lender shall convert any amount so setoff into the relevant currency on the date of such setoff). Notwithstanding the foregoing, if any Defaulting Lender exercises any such right of setoff, (x) all amounts so set off will be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.27(b) and, pending such payment, will be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Swingline Lender and the Lenders and (y) the Defaulting Lender will provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff.

a. Applicable Law

. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. EACH LETTER OF CREDIT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OR RULES DESIGNATED IN SUCH LETTER OF CREDIT, OR IF NO SUCH LAWS OR RULES ARE DESIGNATED, THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 600 (THE "UNIFORM CUSTOMS") AND, AS TO MATTERS NOT GOVERNED BY THE UNIFORM CUSTOMS, THE LAWS OF THE STATE OF NEW YORK.

a. Waivers; Amendment

.

i. No failure or delay of the Administrative Agent or any Lender in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 9.08(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

ii. Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders; *provided, however*, that (subject to Section 2.28 in the case of Permitted Amendments) no such agreement shall (i) other than as provided in Section 2.17(a) or Section 2.32, decrease the principal amount of, or extend (other than as contemplated in Section 2.16) the maturity of or any scheduled principal payment date or date for the payment of any interest on, any Loan or fees, or waive or excuse any such payment or any part thereof, or decrease any fees or the rate of interest on any Loan (other than (A) interest or fees arising in connection with the occurrence of an Event of Default, (B) the fee described in Section 9.04(b) or (C) amendments to Section 6.11 or the defined terms related to Section 6.11 which shall only require the consent of the Required Lenders), without, in each case, the prior written consent of each Lender affected thereby, (ii) increase any Commitment without the prior written consent of the Lender holding such Commitment (including pursuant to Section 2.24, if applicable) (it being understood that a waiver of any Default or Event of Default shall not constitute such an increase), (iii) release the Borrower from its obligations under the Loan Documents without the written consent of each Lender, (iv) amend or modify the provisions of Section 2.11(c), the provisions of this Section 9.08(b), the definition of the "Required Lenders", any other provision of this Agreement that expressly provides that the consent of all Lenders is required or any other provisions requiring payment to be made for the ratable account of the Lenders, without, in each case, the prior written consent of each affected Lender; *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Swingline Lender hereunder without the prior written consent of the Administrative Agent or such Swingline Lender, as applicable. 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 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.

iii. Notwithstanding the foregoing, no amendment, waiver or consent shall, unless in writing and signed by the Designating Lender on behalf of its Designated Bank affected thereby, (i) subject such Designated Bank to any additional obligations, (ii) reduce the principal of, interest on, or other amounts due with respect to, the Designated Bank Note made payable to such Designated Bank, or (iii) postpone any date fixed for any payment of principal of, or interest on, or other amounts due with respect to, the Designated Bank Note made payable to the Designated Bank

iv. Anything herein to the contrary notwithstanding, but subject to Section 2.17(a) and Section 2.32, if the Administrative Agent and the Borrower have jointly identified an ambiguity, omission, mistake or defect in any provision of this Agreement or the other Loan Documents or an inconsistency between a provision of this Agreement and/or a provision of the other Loan Documents, the Administrative Agent and the Borrower shall be permitted to amend such provision to cure such ambiguity, omission, mistake, defect or inconsistency, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the Required Lenders do not provide the Administrative Agent with written notice of objection to such amendment within ten Business Days following receipt of notice thereof.

v. Notwithstanding anything to the contrary in this Section 9.08, the Administrative Agent and the Borrower may, without the consent of any Lender, (x) enter into amendments or modifications to this Agreement or any of the other Loan Documents or (y) enter into additional Loan Documents, in each case, as the Administrative Agent reasonably deems appropriate in order to effectuate the terms of Section ~~2.17(a)(ii)~~2.32 in accordance with the terms of Section ~~2.17(a)(ii).~~2.32

b. Entire Agreement

. This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

a. Waiver of Jury Trial; Consequential and Punitive Damages

. Each party hereto hereby waives, to the fullest extent permitted by applicable law, (a) any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement or any of the other Loan Documents and (b) any claims for punitive damages (to the extent such claims arise from the use of proceeds of the Loans for the purpose of acquisitions). Each party hereto (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other Loan Documents, as applicable, by, among other things, the mutual waivers and certifications in this Section 9.10. Further, each Loan Party hereby agrees not to assert any claim against any Indemnitee on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Facilities, the actual or proposed use of the proceeds of the Loans, the Loan Documents or any of the transactions contemplated by the Loan Documents.

a. Severability

. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

a. Counterparts

. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 9.03. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by email (with the executed counterpart of the signature page attached to the email in PDF format or similar format) shall be effective as delivery of an original executed counterpart of this Agreement.

a. Headings

. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

a. Jurisdiction; Consent to Service of Process; Judgment Currency

.

i. Each of the Company (and each Designated Borrower, by its acceptance of the proceeds of the Loan(s) made to it), the Lenders and the Administrative Agent hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the County and City of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto and each Designated Borrower hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto and each Designated Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against the Borrower or its properties in the courts of any jurisdiction.

ii. Each of the Company, each Designated Borrower, the Lenders and the Administrative Agent hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto and each Designated Borrower hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

iii. The Borrower, each Designated Borrower and each other party hereto consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

iv. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in one currency into another currency, the parties hereto and each Designated Borrower agree, to the fullest extent that they may effectively do so under applicable law, that the rate of exchange used shall be the spot rate at which in accordance with normal banking procedures the first currency could be purchased in New York City with such other currency by the Person obtaining such judgment on the Business Day preceding that on which final judgment is given.

v. The parties hereto and each Designated Borrower agree, to the fullest extent that they may effectively do so under applicable law, that the obligations of the Borrower to make payments in any currency of the principal of and interest on the Loans of the Borrower and any other amounts due from the Borrower hereunder to the Administrative Agent as provided in Sections 2.05(a) (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, in any currency other than the relevant currency, except to the extent that such tender or recovery shall result in the actual receipt by the Administrative Agent at its relevant office on behalf of the Lenders of the full amount of the relevant currency expressed to be payable in respect of the principal of and interest on the Loans and all other amounts due hereunder (it being assumed for purposes of this clause (i) that the Administrative Agent will convert any amount tendered or recovered into the relevant currency on the date of such tender or recovery), (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the relevant currency the amount, if any, by which such actual receipt shall fall short of the full amount of the relevant currency so expressed to be payable and (iii) shall not be affected by an unrelated judgment being obtained for any other sum due under this Agreement.

b. Confidentiality

. Unless otherwise agreed to in writing by the Borrower, each of the Administrative Agent and the Lenders hereby agrees to keep all Proprietary Information (as defined below) confidential and not to disclose or reveal any Proprietary Information to any Person other than the Administrative Agent's, such Lender's and their respective Affiliates' directors, officers, employees, Affiliates, attorneys, accountants, consultants and agents and to actual or potential assignees and participants (subject to Section 9.04(g) in the case of disclosure to actual or potential assignees and participants) and actual or potential counterparties (or Advisors) to any swap or derivatives transaction, and then, in each case, only to such Persons who need to know such Proprietary Information in connection with the transactions contemplated hereby, if they are informed of the confidential nature of such Proprietary Information and directed to observe the confidentiality obligations of this paragraph as if they were parties hereto; *provided, however*, that the Administrative Agent or any Lender may disclose Proprietary Information (a) as required by law, rule, regulation or judicial process (in which case, such disclosing party shall, to the extent permitted by law, inform the Borrower promptly in advance thereof), (b) as requested or required by any state or Federal or foreign authority or examiner regulating banks or banking, (c) subject to appropriate confidentiality protections for the benefit of the Borrower, in any legal proceedings between the Administrative Agent or such Lender and the Borrower arising out of this Agreement, (d) on a confidential basis to any rating agency in connection with rating the Borrower or its Subsidiaries or the Facility or (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder. For purposes of this Agreement, the term "***Proprietary Information***" shall include all information about the Borrower or any of their Affiliates which has been furnished by or on behalf of the Borrower or any of its Affiliates, whether furnished before or after the date hereof, and regardless of the manner in which it is furnished; *provided, however*, that Proprietary Information does not include information which (w) is independently developed by a Lender or its Affiliate, (x) is or becomes generally available to the public other than as a result of a disclosure by the Administrative Agent or any Lender not permitted by this Agreement, (y) was obtained or otherwise became available to the

Administrative Agent or any Lender on a nonconfidential basis prior to its disclosure to the Administrative Agent or such Lender by the Borrower or any of its Affiliates or (z) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a Person other than the Borrower or its Affiliates who, to the best knowledge of the Administrative Agent or such Lender, as the case may be, is not otherwise bound by a confidentiality agreement with the Borrower or any of its Affiliates, or is not otherwise prohibited from transmitting the information to the Administrative Agent or such Lender. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments. Notwithstanding any other provision in this Agreement or any other Loan Document to the contrary, (x) the parties hereby agree that each party (and each employee, representative, or other agent of each party) may each disclose to any and all persons, without limitation of any kind, the United States tax treatment and United States tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to each party relating to such United States tax treatment and United States tax structure and (y) the Administrative Agent may disclose the identity of any Defaulting Lender to the other Lenders and the Borrower if requested by any Lender or the Borrower.

a. Rights and Remedies Cumulative; Non-Waiver; etc

. The enumeration of the rights and remedies of the Administrative Agent and the Lenders set forth in this Agreement is not intended to be exhaustive and the exercise by the Administrative Agent and the Lenders of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder or under the other Loan Documents or that may now or hereafter exist at law or in equity or by suit or otherwise. No delay or failure to take action on the part of the Administrative Agent or any Lender in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between the Borrower, the Administrative Agent and the Lenders or their respective agents or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other Loan Documents or to constitute a waiver of any Event of Default.

a. USA Patriot Act

. The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies the Company and each Designated Borrower, which information includes the name and address of the Company and each Designated Borrower and other information that will allow the Administrative Agent and each such Lender to identify the Company and each Designated Borrower in accordance with the PATRIOT Act.

a. No Fiduciary Duties

. Each Loan Party agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Administrative Agent, any Lender or any Affiliate thereof, on the one hand, and such Loan Party, its stockholders or its Affiliates, on the other. The Loan Parties agree that the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions. Each Loan Party agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each of the Loan Parties acknowledges that the Administrative Agent, the Lenders and their respective Affiliates may have interests in, or may be providing or may in the future provide financial or other services to other parties with interests which a Loan Party may regard as conflicting with its interests and may possess information (whether or not material to the Loan Parties) other than as a result of (x) the Administrative Agent acting as administrative agent hereunder or (y) the Lenders acting as lenders hereunder, that the Administrative Agent or any such Lender may not be entitled to share with any Loan Party. Without prejudice to the foregoing, each of the Loan Parties agrees that the Administrative Agent, the Lenders and their respective Affiliates may (a) deal (whether for its own or its customers' account) in, or advise on, securities of any Person, and (b) accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with other Persons in each case, as if the Administrative Agent were not the Administrative Agent and as if the Lenders were not Lenders, and without any duty to account therefor to the Loan Parties. Each of the Loan Parties hereby irrevocably waives, in favor of the Administrative Agent, the Co-Syndication Agents, the Co-Documentation Agents, the Lenders and the Arrangers, any conflict of interest which may arise by virtue of the Administrative Agent, the Co-Syndication Agents, the Co-Documentation Agents, the Arrangers and/or the Lenders acting in various capacities under the Loan Documents or for other customers of the Administrative Agent, any Arranger or any Lender as described in this Section 9.18.

a. No Bankruptcy Proceedings

. Each of the Company, each Designated Borrower, the Administrative Agent, and each Lender hereby agrees that it will not institute against any Designated Bank or join any other Person in instituting against any Designated Bank any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any federal or state bankruptcy or similar law, until the later to occur of (i) one year and one day after the payment in full of the latest maturing commercial paper note issued by such Designated Bank and (ii) the Maturity Date.

a. Acknowledgement and Consent to Bail-in of Affected Financial Institutions

. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto and each Designated Borrower acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

i. the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder or under any other Loan Document which may be payable to it by any party hereto that is an Affected Financial Institution; and

ii. the effects of any Bail-In Action on any such liability, including, if applicable:

   a. a reduction in full or in part or cancellation of any such liability;

   b. a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

c. the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

SECTION 9.21 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging Agreements or any other agreement or instrument that is a QFC (such support, '***QFC Credit Support***' and each such QFC a '***Supported QFC***'), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the '***U.S. Special Resolution Regimes***') in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

1. In the event a Covered Entity that is party to a Supported QFC (each, a '***Covered Party***') becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.
1. As used in this Section 9.21, the following terms have the following meanings:
    i. '***BHC Act Affiliate***' of a party means an 'affiliate' (as such term is defined under, and interpreted in accordance with, 12 U.S.C. § 1841(k)) of such party.
    ii. '***Covered Entity***' means any of the following:
        a. a 'covered entity' as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
        b. a 'covered bank' as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
        c. a 'covered FSI' as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).
    iii. '***Default Right***' has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.
    iv. '***QFC***' has the meaning assigned to the term 'qualified financial contract' in, and shall be interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D).

a. GUARANTEE

i. Guarantee

. The Company hereby guarantees to each Lender and the Administrative Agent and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) of all unpaid principal of and accrued and unpaid interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on all Loans, all accrued and unpaid fees and all expenses, reimbursements, indemnities and all other advances to, debts, liabilities and Obligations of the Designated Borrowers to any Lender, the Administrative Agent or any Indemnified Party arising under this Agreement or any other Loan Document in respect of any Loan, whether direct or indirect (including those acquired by assumption), absolute, contingent, due or to become due, now existing or hereafter arising, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "***Guaranteed Obligations***"). The Company hereby further agrees that if any Designated Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) any of the Guaranteed Obligations, the Company will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

i. Obligations Unconditional

.

1. The obligations of the Company under this Article X are unconditional and irrevocable irrespective of (i) the value, genuineness, validity, regularity or enforceability of any of the Guaranteed Obligations, (ii) any modification, amendment or variation in or addition to the terms of any of the Guaranteed Obligations or any covenants in respect thereof or any security therefor, (iii) any extension of time for performance or waiver of performance of any covenant of any Designated Borrower or any failure or omission to enforce any right with regard to any of the Guaranteed Obligations, (iv) any exchange, surrender, release of any other guaranty of or security for any of the Guaranteed Obligations, or (v) any other circumstance with regard to any of the Guaranteed Obligations which may or might in any manner constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent hereof that the obligations of the Company hereunder shall be absolute and unconditional under any and all circumstances.
2. The Company hereby expressly waives diligence, presentment, demand, protest, and all notices whatsoever with regard to any of the Guaranteed Obligations and any requirement that the Administrative Agent or any Lender exhaust any right, power or remedy or proceed against any Designated Borrower hereunder or under the Designation Letter of such Designated Borrower or any Note of such Designated Borrower or any other guarantor of or any security for any of the Guaranteed Obligations

ii. Reinstatement

. The guarantee in this Article X shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Designated Borrower in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder(s) of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise

i. Subrogation

. Until the termination of the Commitments and the payment in full of the principal of and interest on the Loans and all other amounts payable to the Administrative Agent or any Lender hereunder, the Company hereby irrevocably waives all rights of subrogation or contribution, whether arising by operation of law (including, without limitation, any such right arising under the Bankruptcy Code) or otherwise, by reason of any payment by it pursuant to the provisions of this Article X.

i. Remedies

. The Company agrees that, as between the Company on the one hand and the Lenders and the Administrative Agent on the other hand, the obligations of any Designated Borrower guaranteed under this Agreement may be declared to be forthwith due and payable, or may be deemed automatically to have been accelerated, as provided in Article VII, for purposes of Section 10.01 hereof notwithstanding any stay, injunction or other prohibition (whether in a bankruptcy proceeding affecting such Designated Borrower or otherwise) preventing such declaration as against such Designated Borrower and that, in the event of such declaration or automatic acceleration such obligations (whether or not due and payable by such Designated Borrower) shall forthwith become due and payable by the Company for purposes of said Section 10.01.

i. Continuing Guarantee

. The guarantee in this Article X is a continuing guarantee and shall apply to all Guaranteed Obligations whenever arising.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the Borrower, the Administrative Agent and the Lenders have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER:
CHOICE HOTELS INTERNATIONAL, INC.,
a Delaware corporation

By: Name: Title:

ADMINISTRATIVE AGENT AND LENDER:
DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent, Lender

By: Name: Title:

By: Name: Title:

SWINGLINE LENDER AND LENDER:
WELLS FARGO BANK, NATIONAL ASSOCIATION, as Swingline Lender and Lender

By: Name: Title:

LENDER:
JPMORGAN CHASE BANK, N. A.,
as Lender

By: Name: Title:

LENDER:
Bank of America, N. A.,
as Lender

By: Name: Title:

LENDER:
SUNTRUST BANK,
as Lender

By: Name: Title:

LENDER:
BARCLAYS BANK PLC,
as Lender

By: Name: Title:

LENDER:
CAPITAL ONE, NATIONAL ASSOCIATION,
as Lender

By: Name: Title:

<u>LENDER</u>:
PNC BANK, NATIONAL ASSOCIATION,
a National Banking Association, as Lender

By: Name: Title:

<u>LENDER</u>:
US BANK NATIONAL ASSOCIATION,
as Lender

By: Name: Title:

<u>LENDER</u>:
FIFTH THIRD BANK,
as Lender

By: Name: Title:

<u>LENDER</u>:
GOLDMAN SACHS BANK USA,
as Lender

By: Name: Title:

Schedule 2.01
<u>Commitments</u>
[To Be Provided by Agent]

Schedule 6.02
<u>Existing Liens</u>

Summary report: **Litera® Change-Pro for Word 10.14.0.46 Document comparison done on 8/19/2021 12:13:52 PM**	
Style name: Shearman & Sterling	
Intelligent Table Comparison: Active	
Original DMS: iw://amwork-shearman.imanage.work/AMERICAS/2021210778/1	
Modified DMS: iw://amwork-shearman.imanage.work/AMERICAS/2021210778/7	
Changes:	
Add	357
~~Delete~~	215
~~Move From~~	5
Move To	5
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	582

[1] DB Ops team to confirm.

[2] The Effective Date of the Second Amendment.

Deutsche Bank AG New York Branch
60 Wall Street
New York, New York 10005

Dated as of August 11, 2021

Choice Hotels International, Inc. 1 Choice Hotels Circle Suite 400 Rockville, Maryland 20850 Attention: Scott Oaksmith, Senior Vice President, Finance

Re: *$600,000,000 Amended and Restated Senior Unsecured Credit Facility*
Choice Hotels International, Inc. Extension Confirmation

Ladies and Gentlemen:

Reference is made to (i) the Amended and Restated Senior Unsecured Credit Agreement dated as of August 20, 2018 (as amended, amended and restated, supplemented or otherwise modified to date, the "***Credit Agreement***"; the terms defined therein, unless otherwise defined herein, being used herein as therein defined), by and among Choice Hotels International, Inc., a Delaware corporation (the "***Borrower***"), the Lenders, Deutsche Bank AG New York Branch, as Administrative Agent, Deutsche Bank Securities Inc., JPMorgan Chase Bank, N.A. and Wells Fargo Securities, LLC, as the Joint Lead Arrangers and the Joint Book Running Managers, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as Co-Syndication Agents and Wells Fargo Bank, National Association as Swingline Lender and (ii) that certain letter dated July 6, 2021 from the Borrower to the Administrative Agent requesting that each Lender extend such Lender's current Maturity Date by one year (from August 20, 2025 to August 20, 2026) (the "***Extension Request***").

The Administrative Agent hereby confirms (a) the Administrative Agent's receipt from the Borrower of an extension fee, paid to the Administrative Agent for the ratable account of each undersigned Extending Lender (as defined in the Credit Agreement), in an amount equal to 4 bps *multiplied by* each such Extending Lender's Commitment as of the date hereof (the "***Extension Fee***"), (b) that each Extending Lender has consented to the Extension Request, subject to such Extending Lender's receipt of the Extension Fee and (c) the extension of the Maturity Date of the Facility with respect to each Extending Lender, with the New Maturity Date being August 20, 2026 (or such earlier date on which the Commitments may terminate in accordance with clauses (b), (c) or (d) of the definition of "Maturity Date" in the Credit Agreement).

The Administrative Agent, the Borrower and each undersigned Extending Lender acknowledge that in accordance with Sections 2.11(c) and 2.28(c) of the Credit Agreement, the Loans and Commitments of the Lenders that are not Extending Lenders may be repaid and terminated on their applicable Maturity Date. The Commitment of each Lender as of the date hereof is set forth in Exhibit A attached hereto.

The Borrower hereby confirms that the Credit Agreement and each of the other Loan Documents (as so extended) are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

This letter may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this letter by facsimile or other electronic means shall be as effective as delivery of a manually executed counterpart of this letter.

Yours truly,

DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent

By: /s/ David Goodman______________________
Name: David Goodman
Title: Managing Director

By: /s/ Richard Meth_______________________
Name: Richard Meth
Title: Managing Director

ACKNOWLEDGED AND AGREED:

CHOICE HOTELS INTERNATIONAL, INC., a Delaware corporation, as Borrower

By: /s/ Scott Oaksmith____________________
Name: Scott Oaksmith
Title: Senior Vice President, Finance

ACKNOWLEDGED AND AGREED:

DEUTSCHE BANK AG NEW YORK BRANCH, as an Extending Lender

By: /s/ Ming K Chu Name: Ming K Chu Title: Director

By: /s/ Marko Lukin Name: Marko Lukin Title: Vice President

ACKNOWLEDGED AND AGREED:

JPMORGAN CHASE BANK, N.A., as an Extending Lender

By: /s/ Chiara Carter________________________
Name: Chiara Carter
Title: Managing Director

ACKNOWLEDGED AND AGREED:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as an Extending Lender

By: /s/ Enn Lloyd___________________________
Name: Enn Lloyd
Title: SVP

ACKNOWLEDGED AND AGREED:

BANK OF AMERICA, N.A., as an Extending Lender

By: /s/ Kyle Pearson________________________
Name: Kyle Pearson
Title: Vice President

ACKNOWLEDGED AND AGREED:

TRUIST BANK, as an Extending Lender

By: /s/ J. Matthew Rowand_____________________
Name: J. Matthew Rowand
Title: Director

ACKNOWLEDGED AND AGREED:

U.S. BANK NATIONAL ASSOCIATION, as an Extending Lender

By: /s/ Steven L. Sawyer___________________________
Name: Steven L. Sawyer
Title: Senior Vice President

ACKNOWLEDGED AND AGREED:

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as an Extending Lender

By: /s/ Brook Miller___________________
Name: Brook Miller
Title: Executive Director

ACKNOWLEDGED AND AGREED:

CAPITAL ONE, NATIONAL ASSOCIATION, as an Extending Lender

By: /s/ Benjamin Lucas_______________________
Name: Benjamin Lucas
Title: Vice President

ACKNOWLEDGED AND AGREED:

GOLDMAN SACHS BANK USA, as an Extending Lender

By: /s/ Kevin Raisch_________________________
Name: Kevin Raisch
Title: Authorized Signatory

ACKNOWLEDGED AND AGREED:

PNC BANK, NATIONAL ASSOCIATION, as an Extending Lender

By: /s/ David Notaro______________________
Name: David Notaro
Title: Senior Vice President

Exhibit A

Commitments

Five Year Tranche Lender Name and Address	**Commitment**	**Pro Rata Percentage**
Deutsche Bank AG New York Branch c/o DB Services New Jersey, Inc. 5022 Gate Parkway, Suite 400 Jacksonville, Florida 32256 Attention: Phelecia Parke	$75,000,000.00	12.5%
Wells Fargo Bank, N.A. 7711 Plantation Road Roanoke, Virginia 24019 Facsimile: (866) 270-721 Attention: Wholesale Loan Servicing, Roanoke Loan Center	$75,000,000.00	12.5%
Bank of America, N.A. 101 N Tryon Street Charlotte, North Carolina 28255 Facsimile: (312) 453-4750 Attention: Kavitha Thakur, Credit Service Representati	$60,000,000.00	10.00%
Truist Bank 211 Perimeter Center Parkway Atlanta, Georgia 30346 Facsimile: (801) 567-626 Attention: Charlene Conley, Operations Analys	$60,000,000.00	10.00%
US Bank, National Association 401 City Center Oshkosh, Wisconsin 54901 Facsimile: (920) 237-799 Attention: CLS Syndication Service	$50,000,000.00	8.34%
Fifth Third Bank 5050 Kingsley Drive Cincinnati, Ohio 45227 Facsimile: (513) 358-3480 Attention: Joyce Elam, Commercial Participation Analyst	$36,250,000.00	6.04%
Capital One, National Association 6200 Chevy Chase Drive Laurel, Maryland 20707 Facsimile: (855) 267-0849 Attention: Richard Fath, Sr. Ops Coordinato	$36,250,000.00	6.04%
Goldman Sachs Bank USA 200 West Street New York, NY 10282 Facisimile: (212) 902 1099 Attention: Loan Operations	$36,250,000.00	6.04%
PNC Bank, National Association 249 Fifth Avenue One PNC Plaza Pittsburgh, Pennsylvania 15222 Facsimile: (866) 641-275 Attention: Derrell Groce	$36,250,000.00	6.04%
JPMorgan Chase Bank, N.A. 10 South Deaborn L2 Chicago, Illinois 60603 Facsimile: (214) 307-687 Attention: Jitesh Chaurasia, Deal Administrator	$75,000,000.00	12.5%
Subtotal	$540,000,000.00	90.00%
Four Year Tranche Lender Name and Address	**Commitment**	**Pro Rata Percentage**
Barclays Bank PLC c/o Barclays Loan Operations 10, South Colonnade London, United Kingdom E14 4P Facsimile: +44 (0) 20 7516 386 For ABR and Swingline Loans only: Barclays Bank PLC London c/o Barclays Capital Services LLC Global Services Unit as US Dollar Funding Administrator 700 Prides Crossing Newark, Delaware 19713 Facsimile: (201) 510-8101	$60,000,000.00	10.00%
Subtotal	$60,000,000.00	10.00%
TOTAL:	**$600,000,000.00**	**100%**

Exhibit 31.1

CERTIFICATION

I, Patrick S. Pacious, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Choice Hotels International, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly 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 quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
   (d) Disclosed in this quarterly 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;
5. The registrant's other certifying officer 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.

November 4, 2021

/s/ PATRICK S. PACIOUS

Patrick S. Pacious
President & Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Dominic E. Dragisich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Choice Hotels International, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly 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 quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
   (d) Disclosed in this quarterly 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;
5. The registrant's other certifying officer 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.

November 4, 2021	/s/ DOMINIC E. DRAGISICH
	Dominic E. Dragisich **Chief Financial Officer**

Exhibit 32

WRITTEN STATEMENT
OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The undersigned hereby certify that the Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 filed by Choice Hotels International, Inc. with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

November 4, 2021	/s/ PATRICK S. PACIOUS
	Patrick S. Pacious
	President & Chief Executive Officer
November 4, 2021	/s/ DOMINIC E. DRAGISICH
	Dominic E. Dragisich
	Chief Financial Officer