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

FORM 10-Q

(Mark One)

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
   For the quarterly period ended March 31, 2017
   or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
   For the transition period from __________ to __________

Commission File Number: 001-34846

RealPage, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

75-2788861
(I.R.S. Employer Identification No.)

2201 Lakeside Boulevard
Richardson, Texas
(Address of principal executive offices)

75082-4305
(Zip Code)

(972) 820-3000
(Registrant's telephone number, including area code)

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

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

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

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

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

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class  Common Stock, $0.001 par value  April 21, 2017

Common Stock, $0.001 par value  82,681,996
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### RealPage, Inc.

#### Condensed Consolidated Balance Sheets

(in thousands, except share data)

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<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>(unaudited)</td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 59,516</td>
<td>$ 104,886</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>96,430</td>
<td>83,654</td>
</tr>
<tr>
<td>Accounts receivable, less allowance for doubtful accounts of $2,372 and $2,468 at March 31, 2017 and December 31, 2016, respectively</td>
<td>88,052</td>
<td>92,367</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>13,033</td>
<td>10,836</td>
</tr>
<tr>
<td>Other current assets</td>
<td>4,654</td>
<td>5,712</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>261,685</td>
<td>297,455</td>
</tr>
<tr>
<td>Property, equipment, and software, net</td>
<td>138,379</td>
<td>130,428</td>
</tr>
<tr>
<td>Goodwill</td>
<td>312,837</td>
<td>259,938</td>
</tr>
<tr>
<td>Identified intangible assets, net</td>
<td>94,381</td>
<td>74,976</td>
</tr>
<tr>
<td>Deferred tax assets, net</td>
<td>59,195</td>
<td>15,665</td>
</tr>
<tr>
<td>Other assets</td>
<td>10,430</td>
<td>9,636</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 876,907</td>
<td>$ 788,098</td>
</tr>
</tbody>
</table>

| **Liabilities and stockholders’ equity** |                   |
| **Current liabilities:**                |                   |
| Accounts payable                       | $ 28,742          | $ 21,421          |
| Accrued expenses and other current liabilities | 42,460          | 50,464            |
| Current portion of deferred revenue    | 98,270           | 89,583            |
| Current portion of term loan           | 3,125            | 5,469             |
| Customer deposits held in restricted accounts | 96,313        | 83,590            |
| **Total current liabilities**           | 268,910          | 250,527           |
| Deferred revenue                       | 6,173            | 6,308             |
| Term loan, net                         | 117,746          | 116,657           |
| Other long-term liabilities            | 32,739           | 29,843            |
| **Total liabilities**                  | 425,568          | 403,335           |

| Commitments and contingencies (Note 8) |                   |
| Stockholders’ equity:                 |                   |
| Preferred stock, $0.001 par value: 10,000,000 shares authorized and zero shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively | —                | —                |
| Common stock, $0.001 par value: 125,000,000 shares authorized, 86,567,236 and 86,062,191 shares issued and 82,867,780 and 81,087,353 shares outstanding at March 31, 2017 and December 31, 2016, respectively | 86              | 86              |
| Additional paid-in capital            | 552,412          | 534,348           |
| Treasury stock, at cost: 3,699,456 and 4,974,838 shares at March 31, 2017 and December 31, 2016, respectively | (33,934)         | (30,358)        |
| Accumulated deficit                   | (67,228)         | (119,260)         |
| Accumulated other comprehensive income (loss) | 3             | (53)             |
| **Total stockholders’ equity**        | 451,339          | 384,763           |
| **Total liabilities and stockholders’ equity** | $ 876,907       | $ 788,098         |

See accompanying notes.
RealPage, Inc.

Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On demand</td>
<td>$146,213</td>
<td>$123,411</td>
</tr>
<tr>
<td>On premise</td>
<td>675</td>
<td>772</td>
</tr>
<tr>
<td>Professional and other</td>
<td>6,031</td>
<td>4,200</td>
</tr>
<tr>
<td>Total revenue</td>
<td>152,919</td>
<td>128,383</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>63,042</td>
<td>54,748</td>
</tr>
<tr>
<td>Gross profit</td>
<td>89,877</td>
<td>73,635</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product development</td>
<td>20,387</td>
<td>17,272</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>35,147</td>
<td>32,199</td>
</tr>
<tr>
<td>General and administrative</td>
<td>24,251</td>
<td>18,346</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>79,785</td>
<td>67,817</td>
</tr>
<tr>
<td>Operating income</td>
<td>10,092</td>
<td>5,818</td>
</tr>
<tr>
<td>Interest expense and other, net</td>
<td>(1,086)</td>
<td>(708)</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>9,006</td>
<td>5,110</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>811</td>
<td>2,114</td>
</tr>
<tr>
<td>Net income</td>
<td>$8,195</td>
<td>$2,996</td>
</tr>
</tbody>
</table>

Net income per share attributable to common stockholders:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>$0.10</td>
<td>$0.04</td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.10</td>
<td>$0.04</td>
</tr>
</tbody>
</table>

Weighted average shares used in computing net income per share attributable to common stockholders:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>78,263</td>
<td>76,656</td>
</tr>
<tr>
<td>Diluted</td>
<td>81,386</td>
<td>77,147</td>
</tr>
</tbody>
</table>

See accompanying notes.
RealPage, Inc.

Condensed Consolidated Statements of Comprehensive Income
(in thousands)  
(unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$8,195</td>
</tr>
<tr>
<td>Gain (loss) on interest rate swaps, net</td>
<td>106</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>(50)</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>$8,251</td>
</tr>
</tbody>
</table>

See accompanying notes.
RealPage, Inc.

Condensed Consolidated Statements of Stockholders’ Equity
(in thousands)
(unaudited)

<table>
<thead>
<tr>
<th>Common Stock</th>
<th>Additional Paid-in Capital</th>
<th>Accumulated Other Comprehensive Income (Loss)</th>
<th>Treasury Shares</th>
<th>Total Stockholders’ Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Amount</td>
<td></td>
<td></td>
<td>Shares</td>
</tr>
<tr>
<td>——</td>
<td>——</td>
<td>——</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>Balance as of December 31, 2016</td>
<td>86,062</td>
<td>$86</td>
<td>534,348</td>
<td>$(53)</td>
</tr>
<tr>
<td>Cumulative effect of adoption of ASU 2016-09</td>
<td>—</td>
<td>—</td>
<td>6</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of common stock</td>
<td>405</td>
<td>—</td>
<td>7,929</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of restricted stock</td>
<td>100</td>
<td>—</td>
<td>(2)</td>
<td>—</td>
</tr>
<tr>
<td>Treasury stock purchases, at cost</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>—</td>
<td>—</td>
<td>10,131</td>
<td>—</td>
</tr>
<tr>
<td>Interest rate swap agreements</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(50)</td>
</tr>
<tr>
<td>Reclassification of realized loss on cash flow hedge to earnings, net of tax</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>13</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Balance as of March 31, 2017</td>
<td>86,567</td>
<td>$86</td>
<td>552,412</td>
<td>$3</td>
</tr>
</tbody>
</table>

See accompanying notes.
RealPage, Inc.

Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

<table>
<thead>
<tr>
<th>Three Months Ended March 31,</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$8,195</td>
<td>$2,996</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>14,440</td>
<td>12,607</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>243</td>
<td>1,539</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>10,092</td>
<td>8,391</td>
</tr>
<tr>
<td>Excess tax benefit from stock-based compensation</td>
<td>—</td>
<td>(27)</td>
</tr>
<tr>
<td>Loss on disposal and impairment of other long-lived assets</td>
<td>24</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition-related consideration</td>
<td>121</td>
<td>(126)</td>
</tr>
<tr>
<td>Changes in assets and liabilities, net of assets acquired and liabilities assumed in business combinations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>5,934</td>
<td>4,952</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>(843)</td>
<td>(17)</td>
</tr>
<tr>
<td>Other assets</td>
<td>(619)</td>
<td>117</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>1,104</td>
<td>1,106</td>
</tr>
<tr>
<td>Accrued compensation, taxes, and benefits</td>
<td>(5,556)</td>
<td>(2,332)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,810</td>
<td>(1,597)</td>
</tr>
<tr>
<td>Other current and long-term liabilities</td>
<td>(738)</td>
<td>1,360</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>34,207</td>
<td>28,969</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property, equipment, and software</td>
<td>(9,925)</td>
<td>(10,217)</td>
</tr>
<tr>
<td>Acquisition of businesses, net of cash acquired</td>
<td>(66,103)</td>
<td>(59,152)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(76,028)</td>
<td>(69,369)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from term loan</td>
<td>—</td>
<td>124,688</td>
</tr>
<tr>
<td>Payments on revolving line of credit</td>
<td>—</td>
<td>(40,000)</td>
</tr>
<tr>
<td>Deferred financing costs</td>
<td>(1,288)</td>
<td>(392)</td>
</tr>
<tr>
<td>Payments on capital lease obligations</td>
<td>(101)</td>
<td>(152)</td>
</tr>
<tr>
<td>Payments of acquisition-related consideration</td>
<td>(6,461)</td>
<td>(2,361)</td>
</tr>
<tr>
<td>Issuance of common stock</td>
<td>7,927</td>
<td>2,482</td>
</tr>
<tr>
<td>Excess tax benefit from stock-based compensation</td>
<td>—</td>
<td>27</td>
</tr>
<tr>
<td>Purchase of treasury stock related to stock-based compensation</td>
<td>(3,576)</td>
<td>(1,262)</td>
</tr>
<tr>
<td>Purchase of treasury stock under share repurchase program</td>
<td>—</td>
<td>(16,138)</td>
</tr>
<tr>
<td>Net cash (used in) provided by financing activities</td>
<td>(3,499)</td>
<td>66,892</td>
</tr>
<tr>
<td>Net (decrease) increase in cash and cash equivalents</td>
<td>(45,320)</td>
<td>26,492</td>
</tr>
<tr>
<td>Effect of exchange rate on cash</td>
<td>(50)</td>
<td>96</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of period</td>
<td>104,886</td>
<td>30,911</td>
</tr>
<tr>
<td>End of period</td>
<td>$59,516</td>
<td>$57,499</td>
</tr>
</tbody>
</table>

See accompanying notes.
RealPage, Inc.

Condensed Consolidated Statements of Cash Flows, continued
(in thousands)
(unaudited)

<table>
<thead>
<tr>
<th>Supplemental cash flow information:</th>
<th>Three Months Ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest</td>
<td>$ 789</td>
</tr>
<tr>
<td>Cash paid for income taxes, net of refunds</td>
<td>$ 325</td>
</tr>
<tr>
<td>Non-cash investing activities:</td>
<td>$ 9,941</td>
</tr>
<tr>
<td>Accrued property, equipment, and software</td>
<td>$ 8,640</td>
</tr>
</tbody>
</table>

See accompanying notes.

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RealPage, Inc.

Notes to the Condensed Consolidated Financial Statements (unaudited)

1. The Company

RealPage, Inc., a Delaware corporation (together with its subsidiaries, the “Company” or “we” or “us”), is a technology leader to the real estate industry, helping owners, managers, and investors optimize both operational yields and investment returns. Our platform of data analytics and software solutions enables the rental real estate industry to manage property operations (such as marketing, pricing, screening, leasing, and accounting), identify opportunities through market intelligence, and obtain data-driven insight for better operational and financial decision-making. Our integrated, on demand platform provides a single point of access and a massive repository of real-time lease transaction data, including prospect, renter, and property data. By leveraging data as well as integrating and streamlining a wide range of complex processes and interactions among the apartment real estate ecosystem (owners, managers, prospects, renters, service providers, and investors), our platform helps our clients improve financial and operational performance and prudently place and harvest capital.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and footnotes have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. We believe that the disclosures made are appropriate and conform to those rules and regulations, and that the condensed or omitted information is not misleading.

The unaudited condensed consolidated financial statements included herein reflect all adjustments (consisting of normal, recurring adjustments) which are, in the opinion of management, necessary to state fairly the results for the interim periods presented. All intercompany balances and transactions have been eliminated in consolidation. The results of operations for the interim periods presented are not necessarily indicative of the operating results to be expected for any subsequent interim period or for the fiscal year.

These financial statements should be read in conjunction with the financial statements and the notes thereto included in our Annual Report on Form 10-K filed with the SEC on March 1, 2017 (“Form 10-K”).

Segment and Geographic Information

Our chief operating decision maker is our Chief Executive Officer, who reviews financial information presented on a company-wide basis. As a result, we determined that the Company has a single reporting segment and operating unit structure.

Principally, all of our revenue for the three months ended March 31, 2017 and 2016 was earned in the United States. Net property, equipment, and software held consisted of $133.8 million and $125.3 million located in the United States, and $4.6 million and $5.1 million in our international subsidiaries at March 31, 2017 and December 31, 2016, respectively. Substantially all of the net property, equipment, and software held in our international subsidiaries was located in the Philippines, Spain, and India at both March 31, 2017 and December 31, 2016.

Concentrations of Credit Risk

Our cash accounts are maintained at various financial institutions and may, from time to time, exceed federally insured limits. The Company has not experienced any losses in such accounts.

Concentrations of credit risk with respect to accounts receivable result from substantially all of our clients being in the residential rental housing market. Our clients, however, are dispersed across different geographic areas. We do not require collateral from clients. We maintain an allowance for doubtful accounts based upon the expected collectability of accounts receivable.

No single client accounted for 10% or more of our revenue or accounts receivable for the three months ended March 31, 2017 or 2016.

Accounting Policies and Use of Estimates

The preparation of financial statements in conformity with GAAP requires our management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates include the allowance for doubtful accounts; the useful lives of intangible assets and the recoverability or impairment of tangible and intangible asset values; fair value measurements; contingent commissions related to the sale of insurance products; purchase accounting allocations and contingent consideration; revenue and deferred revenue and related
reserves; stock-based expense; and our effective income tax rate and the recoverability of deferred tax assets, which are based upon our expectations of future taxable income and allowable deductions. Actual results could differ from these estimates. For greater detail regarding these accounting policies and estimates, refer to our Form 10-K.

**Business Combinations**

The Company applies the guidance contained in ASC Topic 805, *Business Combinations* (“ASC 805”) in determining whether an acquisition transaction constitutes a business combination. ASC 805 defines a business as consisting of inputs and processes applied to those inputs that have the ability to create outputs. The acquisition transactions in Note 3 were determined to constitute business combinations and were accounted for under ASC 805.

Purchase consideration includes assets transferred, liabilities assumed, and/or equity interests issued by us, all of which are measured at their fair value as of the date of acquisition. Our business combination transactions may be structured to include an up-front cash payment and deferred and/or contingent cash payments to be made at specified dates subsequent to the date of acquisition. Deferred cash payments are included in the acquisition consideration based on their fair value as of the acquisition date. The fair value of these obligations is estimated based on the present value, as of the date of acquisition, of the anticipated future payments. The future payments are discounted using a rate that considers an estimate of the return expected by a market-participant and a measurement of the risk inherent in the cash flows, among other inputs. Deferred cash payments are generally subject to adjustments specified in the underlying purchase agreement related to the seller’s indemnification obligations. Contingent cash payments are obligations to make future cash payments to the seller, the payment of which is contingent upon the achievement of stipulated operational or financial targets in the post-acquisition period. Contingent cash payments are included in the purchase consideration at their fair value as of the acquisition date. The fair value of these payments is estimated using a probability weighted discount model based on the achievement of the specified targets. The fair value of these liabilities is re-evaluated on a quarterly basis, and any change is reflected in the line “General and administrative” in the accompanying Condensed Consolidated Statements of Operations. These estimates are inherently uncertain and unpredictable. Unanticipated events and circumstances may occur that would affect the accuracy or validity of these estimates.

The total purchase consideration is allocated to the assets acquired and liabilities assumed based on their estimated fair values. Any excess consideration is classified as goodwill. Acquired intangibles are recorded at their estimated fair value based on the income approach using market-based estimates. Acquired intangibles generally include developed product technologies, which are amortized over their useful life on a straight-line basis, and client relationships, which are amortized over their useful life proportionately to the expected discounted cash flows derived from the asset. When trade names acquired are not classified as indefinite-lived, they are amortized on a straight-line basis over their expected useful life.

Acquisition costs are expensed as incurred and are included in the line “General and administrative” in the accompanying Condensed Consolidated Statements of Operations. We include the results of operations from acquired businesses in our condensed consolidated financial statements from the effective date of the acquisition.

**Derivative Financial Instruments**

The Company is exposed to interest rate risk related to our variable rate debt. The Company manages this risk through a program that includes the use of interest rate derivatives, the counterparties to which are major financial institutions. Our objective in using interest rate derivatives is to add stability to interest cost by reducing our exposure to interest rate movements. We do not use derivative instruments for trading or speculative purposes.

Our interest rate derivatives are designated as cash flow hedges and are carried in the Condensed Consolidated Balance Sheets at their fair value. Unrealized gains and losses resulting from changes in the fair value of these instruments are classified as either effective or ineffective. The effective portion of such gains or losses is recorded as a component of accumulated other comprehensive income (“AOCI”), while the ineffective portion is recorded as a component of interest expense in the period of change. Amounts reported in AOCI related to interest rate derivatives are reclassified into interest expense as interest payments are made on our variable-rate debt. If an interest rate derivative agreement is terminated prior to its maturity, the amounts previously recorded in AOCI are recognized into earnings over the period that the forecasted transactions impact earnings. If the hedging relationship is discontinued because it is probable that the forecasted transactions will not occur according to our original strategy, any related amounts previously recorded in AOCI are recognized in earnings immediately.

**Revenue Recognition**

We derive our revenue from three primary sources: on demand software solutions, on premise software solutions, and professional services. We commence revenue recognition when all of the following conditions are met:

- there is persuasive evidence of an arrangement;
- the solution and/or service has been provided to the client;
- the collection of the fees is probable; and
• the amount of fees to be paid by the client is fixed or determinable.

If the fees are not fixed or determinable, we recognize revenues as payments become due from clients or when amounts owed are collected, provided all other conditions for revenue recognition have been met. Accordingly, this may materially affect the timing of our revenue recognition and results of operations.

When arrangements with clients include multiple software solutions and/or services, we allocate arrangement consideration to each deliverable based on its relative selling price. In such circumstances, we determine the relative selling price for each deliverable based on vendor specific objective evidence of selling price (“VSOE”), if available, or our best estimate of selling price (“BESP”). We have determined that third-party evidence of selling price is not available as our solutions and services are not largely interchangeable with those of other vendors. Our process for determining BESP considers multiple factors, including prices charged by us for similar offerings when sold separately, pricing and discount strategies, and other business objectives.

Taxes collected from clients and remitted to governmental authorities are presented on a net basis.

On Demand Revenue
Our on demand revenue consists of license and subscription fees, transaction fees related to certain of our software-enabled value-added services, and commissions derived from our selling certain risk mitigation services.

License and subscription fees are composed of a charge billed at the initial order date and monthly or annual subscription fees for accessing our on demand software solutions. The license fee billed at the initial order date is recognized as revenue on a straight-line basis over the longer of the contractual term or the period in which the client is expected to benefit, which we consider to be three years. Recognition starts once the product has been activated. Revenue from monthly and annual subscription fees is recognized on a straight-line basis over the access period.

We recognize revenue from transaction fees derived from certain of our software-enabled value-added services as the related services are performed.

As part of our risk mitigation services to the rental housing industry, we act as an insurance agent and derive commission revenue from the sale of insurance products to individuals. The commissions are based upon a percentage of the premium that the insurance company charges to the policyholder and are subject to forfeiture in instances where a policyholder cancels prior to the end of the policy. Our contract with our underwriting partner provides for contingent commissions to be paid to us in accordance with the agreement. This agreement provides for a calculation that considers, on the policies sold by us, earned premiums less i) earned agent commissions; ii) a percent of premium retained by our underwriting partner; iii) incurred losses; and iv) profit retained by our underwriting partner during the time period. Our estimate of contingent commission revenue considers historical loss experience on the policies sold by us. If the policy is cancelled, our commissions are forfeited as a percent of the unearned premium. As a result, we recognize commissions related to these services as earned ratably over the policy term.

On Premise Revenue
Sales of our on premise software solutions consist of an annual term license, which includes maintenance and support. Clients can renew their annual term license for additional one-year terms at renewal price levels. We recognize revenue for the annual term license and support services on a straight-line basis over the contract term.

We also derive on premise revenue from multiple element arrangements that include perpetual licenses with maintenance and other services to be provided over a fixed term. Revenue is recognized for delivered items using the residual method when we have VSOE of fair value for the undelivered items and all other criteria for revenue recognition have been met.

When VSOE has not been asserted for the undelivered items, we recognize the arrangement fees ratably over the longer of the client support period or the period during which professional services are rendered.

Professional and Other Revenue
Professional services and other revenue are recognized as the services are rendered for time and materials contracts. Training revenues are recognized after the services are performed.

Fair Value Measurements
 Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Legal Contingencies
We review the status of each matter and record a provision for a liability when we consider that it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. We review these provisions quarterly and
make adjustments where needed as additional information becomes available. If either or both of the criteria are not met, we assess whether there is at least a reasonable possibility that a loss, or additional losses beyond those already accrued, may be incurred. If there is a reasonable possibility that a material loss (or additional material loss in excess of any accrual) may be incurred, we disclose an estimate of the amount of loss or range of losses, either individually or in the aggregate, as appropriate, if such an estimate can be made, or disclose that an estimate of loss cannot be made.

**Recently Adopted Accounting Standards**

On March 30, 2016, the FASB issued ASU 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. This guidance simplifies accounting for stock-based compensation. Under the new guidance, excess tax benefits and tax deficiencies are now recognized as income tax expense or benefit in the income statement in the period they occur, regardless of whether the benefit reduces taxes payable in the current period. Previously, GAAP required tax benefits in excess of compensation cost to be recorded as additional paid-in capital to the extent taxes payable were reduced and tax deficiencies to be recorded in equity to the extent of previous accumulated excess tax benefit and then recorded to the income statement. The ASU also requires excess tax benefits to be reflected as operating cash flows and allows the Company to elect to either estimate the number of awards that are expected to vest or account for forfeitures as they occur.

We adopted ASU 2016-09 in the first quarter of 2017. As a result of our adoption of this ASU, we recorded a deferred tax asset of $43.8 million, net of a $0.3 million valuation allowance, related to excess stock-based compensation deductions that arose but were not recognized in prior years. Additionally, we elected to account for forfeitures as they occur using a modified retrospective transition method that required us to record an immaterial cumulative-effect adjustment to accumulated deficit. We elected to account for the change in presentation of excess tax benefits in the statements of cash flows prospectively, and as a result, no prior periods were adjusted. We began to account for all excess tax benefits and deficits arising from current period stock transactions as income tax benefit or expense effective January 1, 2017. The remaining amendments to this standard did not have a material impact on our condensed consolidated financial statements.

**Recently Issued Accounting Standards**

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* to assist entities with evaluating whether a set of transferred assets and activities ("set") is a business. Under the new guidance, an entity first determines whether substantially all of the fair value of the set is concentrated in a single identifiable asset or a group of similar identifiable assets. If this threshold is met, the set is not a business. If it is not met, the entity evaluates whether the set meets the requirements that a business include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The ASU requires the changes to be implemented on a prospective basis and is applicable for annual reporting periods beginning after December 15, 2017, including interim periods therein. Early application is permitted. We plan to adopt the changes contained in ASU 2017-01 effective January 1, 2018 and, as required by the ASU, will apply the new guidance on a prospective basis. We do not expect this ASU will have a significant impact on our classification of businesses and complementary technologies acquired.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows - Restricted Cash*, which requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. This standard is effective for fiscal years beginning after December 15, 2017, including interim periods within, and must be applied retrospectively. Early adoption of this ASU is permitted, including adoption in an interim period, but any adjustments must be reflected as of the beginning of the fiscal year that includes that interim period. We will adopt ASU 2016-18 in the first quarter of 2018. After adoption, changes in customer deposits held in restricted accounts will result in an increase or reduction in cash flows from operating activities. Such changes do not have an impact under current rules.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The amendments in this ASU replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted in fiscal years beginning after December 15, 2018. The amendments in this ASU are to be applied through a cumulative-effect adjustment to retained earnings as of the first reporting period in which the ASU is effective. We have not yet selected a transition date and are currently evaluating the impact of adopting ASU 2016-13 on our financial statements.

On February 25, 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. Current GAAP requires lessees to classify their leases as either capital leases, for which the lessee recognizes a lease liability and a related leased asset, or operating leases, which are not reflected in the lessee’s balance sheet. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with a term of more than twelve months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease will depend primarily on its classification as a finance or an operating lease. However, unlike current GAAP, which requires only capital leases to be recognized on the
balance sheet, ASU 2016-02 will require both operating and finance leases to be recognized on the balance sheet. Additionally, the ASU will require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases, including qualitative and quantitative requirements.

ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance to the beginning of the earliest comparative period presented. We have not yet selected a transition date and are currently evaluating the impact of adopting ASU 2016-02 on our financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2014-09, as amended by certain supplementary ASU’s released in 2016, will replace all current GAAP guidance on this topic and eliminate all industry-specific guidance. The new revenue recognition standard provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under today’s guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each separate performance obligation. In August 2015, the FASB issued ASU 2015-14, Topic 606 - Deferral of Effective Date. ASU 2015-14 permitted public business entities to defer the adoption of ASU 2014-09 until interim and annual reporting periods beginning after December 15, 2017. We will adopt ASU 2014-09 in the first quarter of 2018 and expect to adopt on a modified retrospective basis. Under this method of adoption, we would recognize the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings in the period of initial adoption. Comparative prior year periods would not be adjusted.

Based on our preliminary analysis, we anticipate that commissions paid to our direct sales force will qualify as incremental costs of obtaining a contract and will be capitalized and subsequently amortized. Additionally, we anticipate limited changes in the timing of our revenue recognition and client accommodation credits. The standard will require a significant amount of new revenue disclosures in our consolidated financial statements, and we are currently evaluating the impact of these new disclosure requirements. We continue to evaluate the new standard against our existing accounting policies and our contracts with clients to determine the effect the guidance will have on our financial statements and what changes to systems and controls may be warranted.

3. Acquisitions

Current Acquisition Activity

Lease Rent Options

In February 2017, we entered into an agreement to acquire Lease Rent Options ("LRO") and related assets from The Rainmaker Group Holdings, Inc. The closing of the proposed acquisition is subject to standard closing conditions, including the completion of the Hart-Scott-Rodino Antitrust Improvements Act review process. The acquisition of LRO will extend our revenue management footprint, augment our repository of real-time lease transaction data, and increase our data science talent and capabilities. We expect the acquisition of LRO to increase the market penetration of our YieldStar Revenue Management solution and drive revenue growth in our other asset optimization solutions.

Pursuant to the purchase agreement, consideration will consist of a cash payment at closing of approximately $298.5 million, subject to reduction for outstanding indebtedness, unpaid transaction expenses, and a working capital adjustment; and a deferred cash obligation of up to $1.5 million. The deferred cash obligation serves as security for our benefit against the sellers’ indemnification obligations. Subject to any indemnification claims made, the deferred cash obligation will be released approximately twelve months following the acquisition date.

Axiometrics LLC

In January 2017, we acquired substantially all of the assets of Axiometrics LLC ("Axiometrics"). Axiometrics provides its customers with timely market intelligence on apartment markets accumulated from survey and research data. Axiometrics also provides tools to analyze the data at an asset level by multiple variables such as asset class, age, and specific competitive floor plans. The acquisition of Axiometrics expanded our multifamily data analytics platform and will be integrated with MPF Research, our market research database, to form Data Analytics.

We acquired Axiometrics for a purchase price of $73.8 million. The purchase price consisted of a cash payment of $66.1 million at closing; deferred cash obligations of up to $7.5 million, payable over a period of two years following the date of acquisition; and contingent cash obligations of up to $5.0 million if certain revenue targets are achieved during the twelve-month period ending December 31, 2018. The fair value of the deferred and contingent cash obligations was $6.9 million and $0.8 million, respectively, at the date of acquisition. This acquisition was financed using cash on hand.

The acquired identified intangible assets consisted of developed technology, client relationships, and trade names. These intangible assets were assigned estimated useful lives of five, ten, and three years, respectively. We recognized goodwill in the
amount of $52.9 million related to this acquisition, which is primarily comprised of anticipated synergies with our existing multifamily data analytics platform. Goodwill and the acquired identified intangible assets are deductible for tax purposes.

The preliminary allocation of the Axiometrics purchase price is as follows, in thousands:

<table>
<thead>
<tr>
<th>Intangible assets:</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed product technologies</td>
<td>15,500</td>
</tr>
<tr>
<td>Client relationships</td>
<td>6,830</td>
</tr>
<tr>
<td>Trade names</td>
<td>3,200</td>
</tr>
<tr>
<td>Goodwill</td>
<td>52,863</td>
</tr>
<tr>
<td>Other assets</td>
<td>273</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(277)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(6,680)</td>
</tr>
<tr>
<td>Total purchase price</td>
<td>$ 73,755</td>
</tr>
</tbody>
</table>

The estimated fair values of assets acquired and liabilities assumed presented above are provisional and are based on the information available as of the acquisition date. We believe that information provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed, but the Company is awaiting additional information necessary to finalize those values. Therefore, the provisional measurements of fair value are subject to change, and such changes could be significant. We expect to finalize the valuation of these assets and liabilities as soon as practicable, but no later than one year from the acquisition date.

2016 Acquisitions

eSupply Systems, LLC

In June 2016, we acquired substantially all of the assets of eSupply Systems, LLC (“eSupply”) and those of certain entities related to eSupply. eSupply is an e-procurement software and group purchasing service which augmented our Spend Management solutions.

We acquired eSupply for a purchase price of $7.0 million, consisting of a cash payment of $5.5 million at closing and a deferred cash obligation of up to $1.6 million, payable over 18 months after the acquisition date. The fair value of the deferred cash obligation on the date of acquisition was $1.5 million. The first deferred cash payment was made in the fourth quarter of 2016. This acquisition was financed using proceeds from the Term Loan issued in February 2016.

The acquired identified intangible assets primarily consisted of developed technology and client relationships. These intangible assets were assigned estimated useful lives of three and ten years, respectively. We recognized goodwill in the amount of $3.2 million related to this acquisition, which is primarily comprised of anticipated synergies with our existing Spend Management solutions. Goodwill and the acquired identified intangible assets are deductible for tax purposes.

We have adjusted our initial purchase price allocation based on our continuing review of information available at the date we acquired eSupply. These adjustments have resulted in a net decrease in our initial allocation to goodwill and increase in the purchase price of less than $0.1 million. We expect to finalize the valuation of these assets and liabilities as soon as practicable, but no later than one year from the acquisition date.

AssetEye, Inc.

In May 2016, we acquired all of the issued and outstanding stock of AssetEye, Inc. (“AssetEye”). AssetEye is a data aggregation, reporting, and collaboration platform for institutions holding multiple real estate asset classes. This solution provides asset and portfolio managers with a solution to evaluate performance, trends, and operations across a portfolio with transparency into property-level data. The acquisition of AssetEye expanded our on demand solutions to serve all asset classes, including: commercial, hospitality, multifamily, single family, senior living, and student housing.

We acquired AssetEye’s issued and outstanding stock for a purchase price of $4.9 million. The purchase price consisted of a cash payment of $3.6 million at closing, net of cash acquired of $0.8 million; deferred cash obligations of $1.0 million, payable over a period of two years following the date of acquisition; contingent cash payments of up to $1.0 million if certain revenue targets are achieved during the three-month period ending September 30, 2017; and additional cash payments of $0.2 million due to former shareholders of AssetEye. The fair value of the deferred and contingent cash obligations was $0.9 million and $0.2 million, respectively, at the date of acquisition. This acquisition was financed with proceeds from the Term Loan issued in February 2016.
The acquired identified intangible assets primarily included developed technology and client relationships having useful lives of five and ten years, respectively. We recognized goodwill in the amount of $3.2 million related to this acquisition, which is primarily comprised of anticipated synergies between the AssetEye solution and our existing complementary solutions as well as our sales and marketing infrastructure. Goodwill and identified intangible assets recognized in connection with this transaction are not deductible for tax purposes.

**NWP Services Corporation**

In March 2016, we acquired all of the issued and outstanding stock of NWP Services Corporation (“NWP”). NWP provides a full range of utility management services, including: resident billing; payment processing; utility expense management; analytics and reporting; sub-metering and maintenance; and regulatory compliance. The primary products offered by NWP include Utility Logic, Utility Smart, Utility Genius, SmartSource, and NWP Sub-meter. We are primarily integrating NWP into our resident services product family. The integrated platform will enable property owners and managers to increase the collection of rent utilities and energy recovery. Goodwill arising from this acquisition consists of anticipated synergies from the integration of NWP into our existing structure.

We acquired NWP’s issued and outstanding stock for an initial purchase price of $69.0 million. The purchase price consisted of a cash payment of $59.0 million at closing, net of cash acquired of $0.1 million; deferred cash obligations of $7.2 million, payable over a period of three years following the date of acquisition; and other amounts totaling $3.2 million, consisting of payments to certain employees and former shareholders of NWP. The acquisition-date fair value of the deferred cash obligation was $6.8 million. This acquisition was financed with proceeds from the Term Loan issued in February 2016. Acquisition costs associated with this transaction totaled $0.3 million and were expensed as incurred.

The acquired identified intangible assets were comprised of developed technologies, trade name, and client relationships having useful lives of five, three, and ten years, respectively. Goodwill and identified intangible assets acquired in this business combination, valued at $35.3 million and $16.3 million in our initial purchase price allocation, had carryover tax bases of $0.7 million and $11.0 million, respectively, which are deductible for tax purposes. Goodwill and identified intangible assets recognized in excess of those carryover tax basis amounts are not deductible for tax purposes. Accounts receivable acquired had a gross contractual value of $11.3 million at acquisition, of which $3.4 million was estimated to be uncollectible.

We assigned approximately $10.2 million of value to deferred tax assets in our initial purchase price allocation, consisting primarily of $9.9 million of federal and state net operating losses (“NOL”). This NOL amount reflects the tax benefit from approximately $27.3 million of NOLs we expect to realize after considering various limitations and restrictions on NWP’s pre-acquisition NOLs.

In connection with the acquisition of NWP, we recorded an indemnification asset of $1.2 million, which represents the selling security holders’ obligation under the purchase agreement to indemnify the Company for the outcome of certain accrued obligations. The indemnification asset was recognized on the same basis as the corresponding liability, which is based on its estimated fair value as of the date of acquisition.

Subsequent to the acquisition date, management continued to review information relating to events and circumstances that existed at the acquisition date. This review resulted in measurement period adjustments to the provisional amounts recorded at the acquisition date related to deferred cash obligations paid to the sellers and deferred tax assets associated with the transaction. These measurement period adjustments resulted in a change in goodwill, deferred tax assets, and the deferred cash obligation of $(1.8) million, $1.0 million, and $(0.8) million, respectively.
Purchase Price Allocation

The preliminary allocation of each purchase price, including the effects of measurement period adjustments, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>NWP (in thousands)</th>
<th>AssetEye</th>
<th>eSupply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted cash</td>
<td>$4,960</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>7,902</td>
<td>90</td>
<td>287</td>
</tr>
<tr>
<td>Property, equipment, and software</td>
<td>3,194</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Intangible assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developed product technologies</td>
<td>2,740</td>
<td>1,638</td>
<td>2,160</td>
</tr>
<tr>
<td>Client relationships</td>
<td>12,900</td>
<td>1,041</td>
<td>1,390</td>
</tr>
<tr>
<td>Trade names</td>
<td>709</td>
<td>6</td>
<td>35</td>
</tr>
<tr>
<td>Goodwill</td>
<td>33,520</td>
<td>3,154</td>
<td>3,194</td>
</tr>
<tr>
<td>Deferred tax assets, net</td>
<td>11,173</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other assets, net of other liabilities</td>
<td>3,065</td>
<td>8</td>
<td>53</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(6,962)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Client deposits held in restricted accounts</td>
<td>(5,018)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>—</td>
<td>(16)</td>
<td>(29)</td>
</tr>
<tr>
<td>Deferred tax liabilities, net</td>
<td>—</td>
<td>(1,010)</td>
<td>—</td>
</tr>
<tr>
<td>Total purchase price</td>
<td>$68,183</td>
<td>$4,911</td>
<td>$7,046</td>
</tr>
</tbody>
</table>

At March 31, 2017 and December 31, 2016, deferred cash obligations related to acquisitions completed in 2016 totaled $8.1 million and $8.7 million, respectively, and were carried net of a discount of $1.2 million at each date. The aggregate fair value of contingent cash obligations related to these acquisitions was $0.7 million and $0.5 million at March 31, 2017 and December 31, 2016, respectively. During the three months ended March 31, 2017, we recognized an expense of $0.2 million due to changes in the fair value of contingent cash obligations related to these acquisitions.

We made deferred cash payments of $0.6 million during the three months ended March 31, 2017, related to these acquisitions. During the same period, we made payments totaling $0.1 million related to amounts due to certain employees and former shareholders of the acquired businesses described above.

Acquisition Activity Prior to 2016

At March 31, 2017 and December 31, 2016, the aggregate carrying value of deferred cash obligations related to acquisitions completed prior to 2016 totaled $0.4 million and $6.6 million, respectively. During the three months ended March 31, 2017 and 2016, we paid deferred cash obligations related to these acquisitions in the amount of $6.1 million and $2.5 million, respectively.

The aggregate fair value of contingent cash obligations related to acquisitions completed prior to 2016 was estimated to be zero at both March 31, 2017 and December 31, 2016. A gain of $0.3 million was recognized due to changes in the fair value of contingent cash obligations related to these acquisitions during the three months ended March 31, 2016.

Pro Forma Results of Acquisitions

The following table presents unaudited pro forma results of operations for the three months ended March 31, 2017 and 2016, as if the aforementioned acquisitions, excluding the proposed LRO acquisition, had occurred at the beginning of each period presented. The pro forma information includes the business combination accounting effects resulting from these acquisitions, including interest expense, tax benefit, and additional amortization resulting from the valuation of amortizable intangible assets. We prepared the pro forma financial information for the combined entities for comparative purposes only, and it is not indicative of what actual results would have been if the acquisitions had occurred at the beginning of the periods presented, or of future results.
## Three Months Ended March 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pro Forma</td>
<td>Pro Forma</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$154,223</td>
<td>$141,875</td>
</tr>
<tr>
<td>Net income</td>
<td>7,669</td>
<td>1,560</td>
</tr>
<tr>
<td>Net income per share:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$0.10</td>
<td>$0.02</td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.09</td>
<td>$0.02</td>
</tr>
</tbody>
</table>

### 4. Property, Equipment, and Software

Property, equipment, and software consisted of the following at March 31, 2017 and December 31, 2016:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in thousands)</td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$53,093</td>
<td>$51,242</td>
</tr>
<tr>
<td>Data processing and communications equipment</td>
<td>76,035</td>
<td>76,773</td>
</tr>
<tr>
<td>Furniture, fixtures, and other equipment</td>
<td>26,044</td>
<td>26,513</td>
</tr>
<tr>
<td>Software</td>
<td>97,585</td>
<td>86,983</td>
</tr>
<tr>
<td>Property, equipment, and software, gross</td>
<td>252,757</td>
<td>241,511</td>
</tr>
<tr>
<td>Less: Accumulated depreciation and amortization</td>
<td>(114,378)</td>
<td>(111,083)</td>
</tr>
<tr>
<td>Property, equipment, and software, net</td>
<td>$138,379</td>
<td>$130,428</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense for property, equipment, and purchased software was $6.6 million and $5.5 million for the three months ended March 31, 2017 and 2016, respectively.

The carrying amount of capitalized software development costs was $59.4 million and $55.4 million at March 31, 2017 and December 31, 2016, respectively. Total accumulated amortization related to these assets was $21.4 million and $19.8 million at the respective dates. Amortization expense related to capitalized software development costs totaled $1.7 million and $1.1 million for the three months ended March 31, 2017 and 2016, respectively.

### 5. Goodwill and Identified Intangible Assets

Changes in the carrying amount of goodwill during the three months ended March 31, 2017 were as follows, in thousands:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill acquired</td>
<td>$259,938</td>
</tr>
<tr>
<td>Other</td>
<td>52,863</td>
</tr>
<tr>
<td>Balance as of March 31, 2017</td>
<td>$312,837</td>
</tr>
</tbody>
</table>

15
Identified intangible assets consisted of the following at March 31, 2017 and December 31, 2016:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Accumulated Amortization</td>
</tr>
<tr>
<td>Finite-lived intangible assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developed technologies</td>
<td>$91,423</td>
<td>$(65,258)</td>
</tr>
<tr>
<td>Client relationships</td>
<td>115,298</td>
<td>(67,005)</td>
</tr>
<tr>
<td>Vendor relationships</td>
<td>5,650</td>
<td>(5,650)</td>
</tr>
<tr>
<td>Trade names</td>
<td>9,472</td>
<td>(1,680)</td>
</tr>
<tr>
<td>Total finite-lived intangible assets</td>
<td>221,843</td>
<td>(139,593)</td>
</tr>
<tr>
<td>Indefinite-lived intangible assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade names</td>
<td>12,131</td>
<td>—</td>
</tr>
<tr>
<td>Total identified intangible assets</td>
<td>$233,974</td>
<td>$(139,593)</td>
</tr>
</tbody>
</table>

Amortization expense related to finite-lived intangible assets was $6.1 million and $6.0 million for the three months ended March 31, 2017 and 2016, respectively.

6. Debt

On September 30, 2014, we entered into an agreement for a secured revolving credit facility (as amended by the amendments discussed below, the “Credit Facility”) to refinance our outstanding revolving loans. The Credit Facility provides an aggregate principal amount of up to $200.0 million of revolving loans, with sublimits of $10.0 million for the issuance of letters of credit and $20.0 million for swingline loans (“Revolving Facility”). The Credit Facility also allows us, subject to certain conditions, to request term loans or additional revolving commitments up to an aggregate principal amount of $150.0 million, plus an amount that would not cause our Consolidated Net Leverage Ratio, as defined below, to exceed 3.25 to 1.00. At our option, amounts outstanding under the Credit Facility accrued interest, prior to the amendments described below, at a per annum rate equal to either LIBOR, plus a margin ranging from 1.25% to 1.75%, or the Base Rate, plus a margin ranging from 0.25% to 0.75% (“Applicable Margin”). The base LIBOR rate is, at our discretion, equal to either one, two, three, or six month LIBOR. The Base Rate is defined as the greater of Wells Fargo’s prime rate, the Federal Funds Rate plus 0.50%, or one month LIBOR plus 1.00%. In each case, the Applicable Margin is determined based upon our Consolidated Net Leverage Ratio, as defined below.

The Credit Facility is secured by substantially all of our assets, and certain of our existing and future material domestic subsidiaries are required to guarantee our obligations under the Credit Facility. The Credit Facility contains customary covenants, subject in each case to customary exceptions and qualifications. Our covenants include, among other limitations, a requirement that we comply with a maximum Consolidated Net Leverage Ratio and a minimum Consolidated Interest Coverage Ratio. Prior to amendments in February 2016, February 2017, and April 2017, described below, the Consolidated Net Leverage Ratio, which is defined as the ratio of consolidated funded indebtedness on the last day of each fiscal quarter to the four previous consecutive fiscal quarters’ consolidated EBITDA, could not exceed 3.50 to 1.00, provided that we could elect to increase the ratio to 3.75 to 1.00 for a specified period following certain acquisitions. The Consolidated Interest Coverage Ratio, which is defined as the ratio of our four previous fiscal quarters’ consolidated EBITDA to our interest expense for the same period, must not be less than 3.00 to 1.00 on the last day of each fiscal quarter.

In February 2016, we entered into an amendment to the Credit Facility (“First Amendment”). The First Amendment provided for an incremental term loan in the amount of $125.0 million (“Term Loan”) that was coterminous with the existing Credit Facility, reducing the aggregate amount of term loans we were able to request under the Credit Facility to $25.0 million plus an amount that would not cause our Consolidated Net Leverage Ratio to exceed 3.25 to 1.00. Under the terms of the First Amendment, an additional pricing tier was added to the Applicable Margin which modified the range to 1.25% to 2.00% for LIBOR loans, and 0.25% to 1.00% for Base Rate loans. The First Amendment also permitted the Company to elect to increase the maximum permitted Consolidated Net Leverage Ratio, on a one-time basis, to 4.00 to 1.00 following the issuance of convertible notes or high yield notes in an initial principal amount of at least $150.0 million. We incurred debt issuance costs in the amount of $0.7 million in conjunction with the execution of the First Amendment.

In February 2017, we entered into the second and third amendments to the Credit Facility (“Second Amendment” and “Third Amendment,” respectively). Among other changes, the Second Amendment increased the aggregate amount of additional term loans or revolving commitments we are allowed to request to $150.0 million, plus an amount that would not cause our Consolidated Net Leverage Ratio to exceed 3.25 to 1.00. The Third Amendment provided for an incremental $200.0 million delayed draw term loan that is available to be drawn until May 31, 2017 (“Delayed Draw Term Loan”), extended the
maturity of the Credit Facility to February 27, 2022, and amended the amortization schedule for the Term Loan. Under the amended amortization schedule, the Company will make quarterly principal payments of 0.6% of the Term Loan’s and Delayed Draw Term Loan’s respective original principal amounts outstanding beginning on June 30, 2017. The quarterly payment amounts increase to 1.3% of their respective original principal amounts outstanding beginning on June 30, 2018, and to 2.5% beginning on June 30, 2020. Any remaining principal balance on the Term Loan and Delayed Draw Term Loan is due on the maturity date. We incurred debt issuance costs in the amount of $1.3 million in conjunction with the execution of the Second and Third Amendments.

On April 3, 2017, we entered into a new amendment to the Credit Facility (“Fourth Amendment”). The Fourth Amendment modified certain terms of the Credit Facility to, among other things, increase the maximum Consolidated Net Leverage Ratio to 4.00 to 1.00, with an automatic increase to 5.00 to 1.00 following an acquisition having aggregate consideration equal to or greater than $150.0 million and occurring within a specified time period following an unsecured debt issuance equal to or greater than $225.0 million. The automatic increase may occur once during the term of the Credit Facility and lasts for two consecutive fiscal quarters, after which the amendment provides for incremental step downs until the ratio returns to 4.00 to 1.00. Additionally, the automatic increase may only occur during periods in which the referenced unsecured debt is outstanding. Related to this increase, the Fourth Amendment provided for an additional pricing tier for interest rates and fees if the Company’s Consolidated Net Leverage Ratio equals or exceeds 4.00 to 1.00, resulting in a new Applicable Margin range of 1.25% to 2.25% for LIBOR loans and 0.25% to 1.25% for Base Rate loans. The amendment also added a new financial covenant, requiring the Company to comply with a maximum Consolidated Senior Secured Net Leverage Ratio, defined as the ratio of consolidated secured funded indebtedness on the last day of each fiscal quarter to the four previous consecutive fiscal quarters’ consolidated EBITDA, of 3.50 to 1.00. At our option, this ratio may be increased to 3.75 to 1.00 for a period of one year following the completion of an acquisition having aggregate consideration greater than $50.0 million. We are not permitted to exercise this option more than one time during any consecutive eight quarter period.

Revolving loans under the Credit Facility may be voluntarily prepaid and re-borrowed. Principal payments on the Term Loan and Delayed Draw Term Loan are due in quarterly installments, as described above, and may not be re-borrowed. Accumulated interest on amounts outstanding under the Credit Facility is due and payable quarterly, in arrears, for loans bearing interest at the Base Rate and at the end of the applicable interest period in the case of loans bearing interest at the adjusted LIBOR. All outstanding principal and accrued but unpaid interest is due on the maturity date. The Term Loan and Delayed Draw Term Loan are subject to mandatory repayment requirements in the event of certain asset sales or if certain insurance or condemnation events occur, subject to customary reinvestment provisions. The Company may prepay the Term Loan and Delayed Draw Term Loan in whole or in part at any time, without premium or penalty, with prepayment amounts to be applied to remaining scheduled principal amortization payments as specified by the Company.

We had $122.6 million of principal outstanding under our Term Loan, and zero outstanding under the Revolving Facility at both March 31, 2017 and December 31, 2016. As of March 31, 2017, we had $400.0 million of available credit under our Credit Facility, consisting of $200.0 million available under our Revolving Facility and $200.0 million available under our Delayed Draw Term Loan. We had unamortized debt issuance costs of $0.7 million at March 31, 2017 and December 31, 2016 related to the Revolving Facility. At March 31, 2017 and December 31, 2016, the Term Loan was carried net of unamortized debt issuance costs of $1.8 million and $0.5 million, respectively, in the accompanying Condensed Consolidated Balance Sheets. As of March 31, 2017, we were in compliance with the covenants under our Credit Facility.

At March 31, 2017, future maturities of principal under the Term Loan were as follows for the years ending December 31, in thousands:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$2,344</td>
</tr>
<tr>
<td>2018</td>
<td>$5,469</td>
</tr>
<tr>
<td>2019</td>
<td>$6,250</td>
</tr>
<tr>
<td>2020</td>
<td>$10,938</td>
</tr>
<tr>
<td>2021</td>
<td>$12,500</td>
</tr>
<tr>
<td>Thereafter</td>
<td>$85,136</td>
</tr>
<tr>
<td></td>
<td>$122,637</td>
</tr>
</tbody>
</table>

17
7. Stock-based Expense

During the three months ended March 31, 2017, the Company made the following grants of restricted stock:

<table>
<thead>
<tr>
<th>Number of Shares</th>
<th>Vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,052,902</td>
<td>Shares vest ratably over a period of twelve quarters beginning on the first day of the second calendar quarter immediately following the grant date.</td>
</tr>
<tr>
<td>9,460</td>
<td>Shares vest ratably over a period of four quarters beginning on the first day of the calendar quarter immediately following the grant date.</td>
</tr>
</tbody>
</table>

During the three months ended March 31, 2017, we granted 526,037 shares of restricted stock which require the achievement of certain market-based conditions to become eligible to vest. The shares become eligible to vest based on the achievement of the following conditions:

<table>
<thead>
<tr>
<th>Number of Shares</th>
<th>Condition to Become Eligible to Vest</th>
</tr>
</thead>
<tbody>
<tr>
<td>175,346</td>
<td>After the grant date and prior to July 1, 2020, the average closing price per share of our common stock equals or exceeds $38.05 for twenty consecutive trading days.</td>
</tr>
<tr>
<td>175,346</td>
<td>After the grant date and prior to July 1, 2020, the average closing price per share of our common stock equals or exceeds $41.09 for twenty consecutive trading days.</td>
</tr>
<tr>
<td>175,345</td>
<td>After the grant date and prior to July 1, 2020, the average closing price per share of our common stock equals or exceeds $45.66 for twenty consecutive trading days.</td>
</tr>
</tbody>
</table>

Shares that become eligible to vest, if any, become Eligible Shares. These awards vest ratably over four calendar quarters beginning on the first day of the next calendar quarter immediately following the date on which they become Eligible Shares. Vesting is conditional upon the recipient remaining a service provider, as defined in the plan document, to the Company through each applicable vesting date.

All awards were granted under the Amended and Restated 2010 Equity Incentive Plan, as amended.

8. Commitments and Contingencies

Lease Commitments

The Company leases office facilities and equipment for various terms under long-term, non-cancellable operating lease agreements. The leases expire at various dates through 2028 and provide for renewal options. The agreements generally require the Company to pay for executory costs such as real estate taxes, insurance, and repairs. Minimum annual rental commitments under non-cancellable operating leases were as follows at March 31, 2017, in thousands:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8,944</td>
</tr>
<tr>
<td>2018</td>
<td>11,686</td>
</tr>
<tr>
<td>2019</td>
<td>10,604</td>
</tr>
<tr>
<td>2020</td>
<td>8,381</td>
</tr>
<tr>
<td>2021</td>
<td>7,753</td>
</tr>
<tr>
<td>Thereafter</td>
<td>51,040</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98,408</strong></td>
</tr>
</tbody>
</table>

Guarantor Arrangements

We have agreements whereby we indemnify our officers and directors for certain events or occurrences while the officer or director is or was serving at our request in such capacity. The term of the indemnification period is for the officer or director’s lifetime. The maximum potential amount of future payments we could be required to make under these indemnification agreements is unlimited; however, we have a director and officer insurance policy that limits our exposure and enables us to recover a portion of any future amounts paid. As a result of our insurance policy coverage, we believe the estimated fair value of these indemnification agreements is minimal. Accordingly, we had no liabilities recorded for these agreements as of March 31, 2017 or December 31, 2016.

In the ordinary course of our business, we include standard indemnification provisions in our agreements with clients. Pursuant to these provisions, we indemnify our clients for losses suffered or incurred in connection with third-party claims that our products infringed upon any U.S. patent, copyright, trademark, or other intellectual property right. Where applicable, we generally limit such infringement indemnities to those claims directed solely to our products and not in combination with other software or products. With respect to our products, we also generally reserve the right to resolve any such claims by designing a
non-infringing alternative, by obtaining a license on reasonable terms, or by terminating our relationship with the client and refunding the client’s fees.

The potential amount of future payments to defend lawsuits or settle indemnified claims under these indemnification provisions is unlimited in certain agreements; however, we believe the estimated fair value of these indemnification provisions is minimal, and, accordingly, we had no liabilities recorded for these agreements as of March 31, 2017 or December 31, 2016.

**Litigation**

From time to time, in the normal course of our business, we are a party to litigation matters and claims. Litigation can be expensive and disruptive to our normal business operations. Moreover, the results of complex legal proceedings are difficult to predict and our view of these matters may change in the future as the litigation and events related thereto unfold. We expense legal fees as incurred. Insurance recoveries associated with legal costs incurred are recorded when they are deemed probable of recovery.

In March 2015, we were named in a purported class action lawsuit in the United States District Court for the Eastern District of Pennsylvania, styled Stokes v. RealPage, Inc., Case No. 2:15-cv-01520. The claims in this purported class action relate to alleged violations of the Fair Credit Reporting Act (“FCRA”) in connection with background screens of prospective tenants of our clients. On January 25, 2016, the court entered an order placing the case on hold until the United States Supreme Court issued its decision in Spokeo, Inc. v. Robins, which case addressed issues related to standing to bring claims related to the FCRA. On May 16, 2016, the U.S. Supreme Court issued its opinion in the Spokeo litigation, vacating the decision of the United States Court of Appeals for the Ninth Circuit, and remanding the case for further consideration by the U.S. Court of Appeals. Following the Supreme Court’s decision in Spokeo, the judge in the Stokes case lifted the stay. On June 24, 2016, we filed a motion to dismiss certain claims made in the case based upon the Spokeo decision. On October 19, 2016, the U.S. District Court denied the motion to dismiss. We intend to defend this case vigorously.

In November 2014, we were named in a purported class action lawsuit in the United States District Court for the Eastern District of Virginia, styled Jenkins v. RealPage, Inc., Case No. 3:14cv758. The claims in this purported class action relate to alleged violations of the FCRA in connection with background screens of prospective tenants of our clients. This case has since been transferred to the United States District Court for the Eastern District of Pennsylvania. On January 25, 2016, the court entered an order placing the case on hold until the United States Supreme Court issued its decision in the Spokeo case. Following the Supreme Court’s decision in Spokeo, the judge in the Jenkins case lifted the stay. On June 24, 2016, we filed a motion to dismiss certain claims made in the case based upon the Spokeo decision. On October 19, 2016, the U.S. District Court denied the motion to dismiss. We intend to defend this case vigorously.

On February 23, 2015, we received from the Federal Trade Commission (“FTC”) a Civil Investigative Demand consisting of interrogatories and a request to produce documents relating to our compliance with the FCRA. We have responded to the request and requests for additional information by the FTC. At this time, we do not have sufficient information to evaluate the likelihood or merits of any potential enforcement action, or to predict the outcome or costs of responding to, or the costs, if any, of resolving this investigation.

At March 31, 2017 and December 31, 2016, we had accrued amounts for estimated settlement losses related to legal matters. The Company does not believe there is a reasonable possibility that a material loss exceeding amounts already recognized may have been incurred as of the date of the balance sheets presented herein.

We are involved in other litigation matters not described above that are not likely to be material either individually or in the aggregate based on information available at this time. Our view of these matters may change as the litigation and events related thereto unfold.

**9. Net Income per Share**

Basic net income per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed by using the weighted average number of common shares outstanding, including potential dilutive shares of common stock assuming the dilutive effect of outstanding stock options and restricted stock using the treasury stock method. Weighted average shares from common share equivalents in the amount of 729,637 and 882,035 for the three months ended March 31, 2017 and 2016, respectively, were excluded from the dilutive shares outstanding because their effect was anti-dilutive.

As required by ASU 2016-09, the weighted average effect of dilutive securities for the three months ended March 31, 2017, was calculated without including consideration of windfall tax benefits, resulting in the repurchase of fewer hypothetical shares and a greater dilutive effect. This change was applied on a prospective basis, and dilutive securities for the same period in 2016 have not been adjusted.
The following table presents the calculation of basic and diluted net income per share:

<table>
<thead>
<tr>
<th>Numerator:</th>
<th>Three Months Ended March 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Net income</td>
<td>$8,195</td>
<td>$2,996</td>
</tr>
</tbody>
</table>

Denominator:

<table>
<thead>
<tr>
<th>Basic:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average common shares used in computing basic net income per share</td>
<td>78,263</td>
</tr>
</tbody>
</table>

Diluted:

<table>
<thead>
<tr>
<th>Add weighted average effect of dilutive securities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock options and restricted stock</td>
<td>3,123</td>
</tr>
<tr>
<td>Weighted average common shares used in computing diluted net income per share</td>
<td>81,386</td>
</tr>
</tbody>
</table>

Net income per share:

<table>
<thead>
<tr>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.10</td>
<td>$0.04</td>
</tr>
</tbody>
</table>

10. Income Taxes

We make estimates and judgments in determining our provision for income taxes for financial statement purposes. These estimates and judgments occur in the calculation of certain tax assets and liabilities that arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes.

Our provision for income taxes in interim periods is based on our estimated annual effective tax rate. We record cumulative adjustments in the quarter in which a change in the estimated annual effective rate is determined. The estimated annual effective tax rate calculation does not include the effect of discrete events that may occur during the year. The effect of these events, if any, is recorded in the quarter in which the event occurs.

Our effective income tax rate was 9.0% and 41.4% for the three months ended March 31, 2017 and 2016, respectively. Our effective rate is lower than the statutory rate for the three months ended March 31, 2017, primarily because of excess tax benefits from stock-based compensation of $2.7 million recognized as a discrete item during the period, as required by ASU 2016-09. The effective rate is higher than the statutory rate for the three months ended March 31, 2016, primarily because of state income taxes and non-deductible expenses.

As a result of our adoption of ASU 2016-09, on January 1, 2017 we recorded a deferred tax asset of $43.8 million, net of a $0.3 million valuation allowance, with a corresponding increase to retained earnings. The deferred tax asset consisted of excess stock-based compensation deductions that arose but were not recognized in prior years. See additional discussion of our adoption of ASU 2016-09 in Note 2.

11. Fair Value Measurements

The Company records certain assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The prescribed fair value hierarchy is as follows:

Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs are quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable; and market-corroborated inputs which are derived principally from or corroborated by observable market data.

Level 3 - Inputs are derived from valuation techniques in which one or more of the significant inputs or value drivers are unobservable.

The categorization of an asset or liability within the fair value hierarchy is based on the inputs described above and does not necessarily correspond to the Company’s perceived risk of that asset or liability. Moreover, the methods used by the Company may produce a fair value calculation that is not indicative of the net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market...
participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments and non-financial assets and liabilities could result in a different fair value measurement at the reporting date.

**Assets and liabilities measured at fair value on a recurring basis:**

**Interest rate swap agreements:** The fair value of the Company’s interest rate swap agreements are determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the swap agreements. This analysis reflects the contractual terms of the swap agreements, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty’s nonperformance risk in the fair value measurements.

Although the Company has determined that the majority of the inputs used to value its swap agreements fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its swap agreements utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the Company and its counterparties. The Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its swap agreements’ positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its swap agreements. As a result, the Company determined that its valuation of the swap agreements in its entirety is classified in Level 2 of the fair value hierarchy.

**Contingent consideration obligations:** Contingent consideration obligations consist of potential obligations related to our acquisition activity. The amount to be paid under these obligations is contingent upon the achievement of stipulated operational or financial targets by the business subsequent to acquisition. The fair value of contingent consideration obligations is estimated using a probability weighted discount model which considers the achievement of the conditions upon which the respective contingent obligation is dependent. The probability of achieving the specified conditions is assessed by applying a Monte Carlo weighted-average model. Inputs into the valuation model include a discount rate specific to the acquired entity, a measure of the estimated volatility, and the risk free rate of return.

In addition to the inputs described above, the fair value estimates consider the projected future operating or financial results for the factor upon which the respective contingent obligation is dependent. The fair value estimates are generally sensitive to changes in these projections. We develop the projected future operating results based on an analysis of historical results, market conditions, and the expected impact of anticipated changes in our overall business and/or product strategies.

Significant unobservable inputs used in the contingent consideration fair value measurements included the following at March 31, 2017 and December 31, 2016:

<table>
<thead>
<tr>
<th>March 31, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rates</td>
<td>14.8 - 27.5%</td>
</tr>
<tr>
<td>Volatility rates</td>
<td>25.7%</td>
</tr>
<tr>
<td>Risk free rate of return</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

The following tables disclose the assets and liabilities measured at fair value on a recurring basis as of March 31, 2017 and December 31, 2016, by the fair value hierarchy levels as described above:

<table>
<thead>
<tr>
<th>Fair value at March 31, 2017</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate swap agreements</td>
<td>$1,257</td>
<td>—</td>
<td>$1,257</td>
<td>—</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent consideration related to the acquisition of:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AssetEye</td>
<td>704</td>
<td>—</td>
<td>—</td>
<td>704</td>
</tr>
<tr>
<td>Axiometrics</td>
<td>812</td>
<td>—</td>
<td>—</td>
<td>812</td>
</tr>
<tr>
<td>Total liabilities measured at fair value</td>
<td>$1,516</td>
<td>—</td>
<td>—</td>
<td>$1,516</td>
</tr>
</tbody>
</table>

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Table of Contents

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swap agreements</td>
<td>$1,098</td>
<td>$1,098</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent consideration related to the acquisition of:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indatus</td>
<td>2</td>
<td></td>
<td>—</td>
<td>2</td>
</tr>
<tr>
<td>AssetEye</td>
<td>539</td>
<td>—</td>
<td>—</td>
<td>539</td>
</tr>
<tr>
<td>Total liabilities measured at fair value</td>
<td>$541</td>
<td>$541</td>
<td>—</td>
<td>$541</td>
</tr>
</tbody>
</table>

There were no transfers between Level 1 and Level 2, or between Level 2 and Level 3 measurements during the three months ended March 31, 2017.

Changes in the fair value of Level 3 measurements were as follows for the three months ended March 31, 2017 and 2016:

<table>
<thead>
<tr>
<th>Three Months Ended March 31,</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in thousands)</td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of period</td>
<td>$541</td>
<td>$841</td>
</tr>
<tr>
<td>Initial contingent consideration</td>
<td>812</td>
<td>—</td>
</tr>
<tr>
<td>Net loss (gain) on change in fair value</td>
<td>163</td>
<td>(273)</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>$1,516</td>
<td>$568</td>
</tr>
</tbody>
</table>

**Financial Instruments**

The financial assets and liabilities that are not measured at fair value in our Condensed Consolidated Balance Sheets include cash and cash equivalents, restricted cash, accounts receivable, cost-method investments, accounts payable and accrued expenses, acquisition-related deferred cash obligations, and obligations under the Term Loan.

The carrying values of cash and cash equivalents; restricted cash; accounts receivable; and accounts payable and accrued expenses reported in our Condensed Consolidated Balance Sheets approximates fair value due to the short term nature of these instruments. Acquisition-related deferred cash obligations are recorded on the date of acquisition at their estimated fair value, based on the present value of the anticipated future cash flows. The difference between the amount of the deferred cash obligation to be paid and its estimated fair value on the date of acquisition is accreted over the obligation period. As a result, the carrying value of acquisition-related deferred cash obligations approximates their fair value.

The carrying value of the Term Loan approximates fair value since it is subject to a short-term floating interest rate that approximates borrowing rates currently available to the Company for debt of similar terms and maturities.

**12. Stockholders’ Equity**

In May 2014, our board of directors approved a share repurchase program authorizing the repurchase of up to $50.0 million of our outstanding common stock for a period of up to one year after the approval date. Our board of directors approved a one year extension of this program in both 2015 and 2016. On April 28, 2017, our board of directors again approved a one year extension of the share repurchase program. The terms of this extension permit the repurchase of up to $50.0 million of our common stock during the period commencing on the extension day and ending on May 4, 2018.

Repurchase activity during the three months ended March 31, 2017 and 2016 was as follows:

<table>
<thead>
<tr>
<th>Three Months Ended March 31,</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares repurchased</td>
<td>—</td>
<td>777,669</td>
</tr>
<tr>
<td>Weighted-average cost per share</td>
<td>$ —</td>
<td>$20.75</td>
</tr>
<tr>
<td>Total cost of shares repurchased, in thousands</td>
<td>$ —</td>
<td>$16,138</td>
</tr>
</tbody>
</table>

**13. Derivative Financial Instruments**

On March 31, 2016, the Company entered into two interest rate swap agreements (collectively the “Swap Agreements”), which are designed to mitigate our exposure to interest rate risk associated with a portion of our variable rate debt. The Swap
Agreements cover an aggregate notional amount of $75.0 million from March 2016 to September 2019 by replacing the obligation’s variable rate with a blended fixed rate of 0.89%. The Company designated the Swap Agreements as cash flow hedges of interest rate risk.

The effective portion of changes in the fair value of the Swap Agreements is recorded in accumulated other comprehensive income and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The ineffective portion of the change in the fair value of the Swap Agreements is recognized directly in earnings. Amounts reported in accumulated other comprehensive income related to the Swap Agreements will be reclassified to interest expense as interest payments are made on our variable-rate debt. The Company estimates that an additional $0.3 million will be reclassified as a decrease of interest expense during the twelve-month period ending March 31, 2018.

As of March 31, 2017, the Swap Agreements were still outstanding. The table below presents the notional and fair value of the Swap Agreements as well as their classification on the Condensed Consolidated Balance Sheets as of March 31, 2017 and December 31, 2016:

<table>
<thead>
<tr>
<th>Derivatives designated as cash flow hedging instruments:</th>
<th>Balance Sheet Location</th>
<th>Notional</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swap agreements as of March 31, 2017</td>
<td>Other assets</td>
<td>$ 75,000</td>
<td>$ 1,257</td>
</tr>
<tr>
<td>Swap agreements as of December 31, 2016</td>
<td>Other assets</td>
<td>$ 75,000</td>
<td>$ 1,098</td>
</tr>
</tbody>
</table>

As of March 31, 2017, the Company has not posted any collateral related to the Swap Agreements. If the Company had breached any of the Swap Agreement’s default provisions at March 31, 2017, it could have been required to settle its obligations under the Swap Agreements at their termination value of $1.3 million.

The table below presents the amount of gains and losses related to the effective and ineffective portions of the Swap Agreements and their location on the Condensed Consolidated Statements of Operations and the Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2017 and 2016, in thousands:

<table>
<thead>
<tr>
<th>Derivatives Designated as Cash Flow Hedges</th>
<th>Effective Portion</th>
<th>Ineffective Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gain (Loss) Recognized in OCI</td>
<td>Location of Loss Recognized in Income</td>
</tr>
<tr>
<td>Three months ended March 31, 2017:</td>
<td>$ —</td>
<td>Interest expense and other $(79)</td>
</tr>
<tr>
<td>Swap agreements, net of tax</td>
<td>$ —</td>
<td>Interest expense and other $(79)</td>
</tr>
<tr>
<td>Three months ended March 31, 2016:</td>
<td>$ —</td>
<td>Interest expense and other $(79)</td>
</tr>
</tbody>
</table>

14. Subsequent Events

As discussed in Note 6, on April 3, 2017, we entered into the Fourth Amendment to the Credit Facility. The Fourth Amendment modified certain terms of the Credit Facility to, among other things, increase the maximum Consolidated Net Leverage Ratio to 4.00 to 1.00, and provided for an automatic increase of this ratio to 5.00 to 1.00 for period of two consecutive fiscal quarters following the completion of an acquisition meeting certain criteria. The Fourth Amendment added an additional pricing tier to the Applicable Margin, resulting in a new range of 1.25% to 2.25% for LIBOR loans and 0.25% to 1.25% for Base Rate loans. Additionally, this amendment added a new financial covenant requiring the Company to comply with a maximum Consolidated Senior Secured Net Leverage Ratio of 3.50 to 1.00, determined in accordance with the terms of the Credit Agreement. The Company may elect to increase this ratio to 3.75 to 1.00 for a period of one year following certain acquisitions. We incurred issuance costs of $0.3 million related to this amendment.

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

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Statements preceded by, followed by, or that otherwise include the words “anticipates,” “believes,” “could,” “seeks,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would,” or similar expressions and the negatives of those terms are generally forward-looking in nature and not historical facts. These forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause our actual results, performance, or achievements to be materially different from any anticipated results, performance, or achievements. Factors that might cause
Overview

We are a technology leader to the real estate industry, helping owners, managers, and investors optimize both operational yields and investment returns. By leveraging data as well as integrating and streamlining a wide range of complex processes and interactions among the apartment real estate ecosystem, our platform helps our clients improve financial and operational performance and prudently place and harvest capital.

The substantial majority of our revenue is derived from sales of our on demand software solutions. We also derive revenue from our professional and other services. A small percentage of our revenue is derived from sales of our on premise software solutions. Our on demand software solutions are sold pursuant to subscription license agreements and our on premise software solutions are sold pursuant to term or perpetual licenses and associated maintenance agreements. We price our solutions based primarily on the number of units the client manages with our solutions. For our insurance-based solutions, we earn revenue based on a commission rate that considers earned premiums; agent commission; incurred losses; and premiums and profits retained by our underwriter. Our transaction-based solutions are priced based on a fixed rate per transaction. We sell our solutions through our direct sales organization and derive substantially all of our revenue from sales in the United States.

We believe there is increasing demand for solutions that bring efficiency and precision to the rental real estate industry, which has historically lacked the tools available to other investment classes. While the use of, and transition to, data analytics and on demand software solutions in the rental real estate industry is growing rapidly, we believe it remains at a relatively early stage of adoption. Additionally, there is a low level of penetration of our on demand software solutions in our existing client base. These factors present us with significant opportunities to generate revenue through sales of additional data analytics and on demand software solutions.

Our company was formed in 1998 to acquire Rent Roll, Inc., which marketed and sold on premise property management systems for the conventional and affordable multifamily rental housing markets. In June 2001, we released OneSite, our first on demand property management system. Since 2002, we have expanded our platform of solutions to include property management; lease management; resident services; and asset optimization capabilities. In addition to the multifamily markets, we now serve the single family, senior living, student living, military housing, commercial, hospitality, and vacation rental markets. In addition, since July 2002, we have completed 36 acquisitions of complementary technologies to supplement our internal product development and sales and marketing efforts and expand the scope of our solutions, the types of rental housing and vacation rental properties served by our solutions, and our client base. In connection with this expansion and these acquisitions, we have committed greater resources to developing and increasing sales of our platform of data analytics and on demand solutions. As of March 31, 2017, we had approximately 4,800 employees.

Solutions and Services

Our platform is designed to serve as a single system of record for all of the constituents of the rental real estate ecosystem; to support the entire renter life cycle, from prospect to applicant to residency or guest to post-residency or post-stay; and to optimize operational yields and returns on investment. Common authentication, work flow, and user experience across solution categories enables each of these constituents to access different applications as appropriate for their roles.

Our platform consists of four primary categories of solutions: Property Management, Lease Management, Resident Services, and Asset Optimization. These solutions provide complementary asset performance and investment decision support; risk mitigation, billing and utility management; resident engagement, spend management, operations and facilities management; and lead generation and lease management capabilities that collectively enable our clients to manage all the stages of the renter life cycle. Each of our solution categories includes multiple product centers that provide distinct capabilities that can be bundled as a package or licensed separately. Each product center integrates with a central repository of lease transaction data, including prospect, renter, and property data. In addition, our open architecture allows third-party applications to access our solutions using our RealPage Exchange platform.

We offer different versions of our platform for different types of properties in different real estate markets. For example, our platform supports the specific and distinct requirements of:

- conventional single family properties;
- conventional multifamily properties;
- affordable Housing and Urban Development ("HUD") properties;

or contribute to such differences include, but are not limited to, those discussed in the section entitled “Risk Factors” in Part II, Item 1A of this report. You should carefully review the risks described herein and in the other documents we file from time to time with the Securities and Exchange Commission (“SEC”), including our Annual Report on Form 10-K for fiscal year 2016. You should not place undue reliance on forward-looking statements herein, which speak only as of the date of this report. Except as required by law, we disclaim any intention, and undertake no obligation, to revise any forward-looking statements, whether as a result of new information, a future event, or otherwise.

Table of Contents
Property Management

Our property management solutions are referred to as ERP systems. These solutions manage core property management business processes, including leasing, accounting, budgeting, purchasing, facilities management, document management, and support and advisory services. It includes a central database of prospect, applicant, renter, and property information that is accessible in real time by our other solutions. Our property management solutions also interface with most popular general ledger accounting systems through our RealPage Exchange platform. This makes it possible for clients to deploy our solutions using our accounting system or a third-party accounting system. Our property management solution category consists of seven primary solutions including OneSite, Propertyware, Kigo, Spend Management Solutions, The RealPage Cloud, SmartSource, and EasyLMS.

Lease Management

 Lease management solutions aim to optimize marketing spend and the leasing process. These solutions manage core leasing and marketing processes including websites and syndication, paid lead generation, organic lead generation, lead management, automated lead closure, lead analytics, real-time unit availability, automated online apartment leasing, and applicant screening. Our lease management solution category consists of six primary solutions: Online Leasing, Contact Center, Websites & Syndication, MyNewPlace, Lead2Lease, and Resident Screening.

Resident Services

Our resident services solutions provide a platform to optimize the transactional and social experience of prospects and renters, and enhance a property’s reputation. These solutions facilitate core renter management business processes including utility billing, renter payment processing, service requests, lease renewals, renters insurance, and consulting and advisory services. Our resident services solution category consists of five primary solutions: Resident & Utility Billing, Resident Payments, Resident Portal, Contact Center Maintenance, and Renter's Insurance.

Asset Optimization

Our asset optimization solutions aim to optimize property financial and operational performance, and provide comprehensive analytics-based decision support for optimum investment performance throughout the phases of real estate investment (e.g., acquisition, operation, renovation, and disposition). These solutions facilitate core asset management, business intelligence, performance benchmarking and investment analysis including, real-time yield management, revenue growth forecasting, key variable sensitivity forecasting, internal operating metric benchmarking and external market benchmarking. Our asset optimization solution category consists of four primary solutions: YieldStar Revenue Management, Business Intelligence, Data Analytics, and Asset and Investment Management.

Professional services

We have developed repeatable, cost-effective consulting and implementation services to assist our clients in taking advantage of the capabilities enabled by our asset optimization solutions. Our consulting and implementation methodology leverages the nature of our on demand software architecture, the industry-specific expertise of our professional services employees, and the design of our platform to simplify and expedite the implementation process. Our consulting and implementation services include project and application management procedures, business process evaluation, business model development and data conversion. Our consulting teams work closely with customers to facilitate the smooth transition and operation of our solutions.

 We offer training programs for training administrators and onsite property managers on the use of our solutions. Training options include regularly hosted classroom and online instruction (through our online learning courseware), as well as online webinars. Our clients can integrate their own training content with our content to deliver an integrated and customized training program for their on-site property managers.
Recent Acquisitions

Current Acquisition Activity

Lease Rent Options

In February 2017, we entered into an agreement to acquire Lease Rent Options ("LRO") and related assets from The Rainmaker Group Holdings, Inc. The closing of the proposed acquisition is subject to standard closing conditions, including the completion of the Hart-Scott-Rodino Antitrust Improvements Act review process. The acquisition of LRO will extend our revenue management footprint, augment our repository of real-time lease transaction data, and increase our data science talent and capabilities. We expect the acquisition of LRO to increase the market penetration of our YieldStar Revenue Management solution and drive revenue growth in our other asset optimization solutions.

Pursuant to the purchase agreement, consideration will consist of a cash payment at closing of approximately $298.5 million, subject to reduction for outstanding indebtedness, unpaid transaction expenses, and a working capital adjustment, and a deferred cash obligation of up to $1.5 million. The deferred cash obligation serves as security for our benefit against the sellers' indemnification obligations. Subject to any indemnification claims made, the deferred cash obligation will be released approximately twelve months following the acquisition date.

We expect to finance the acquisition using funds available under our Credit Facility.

Axiometrics LLC

In January 2017, we acquired substantially all of the assets of Axiometrics LLC ("Axiometrics"), a leading provider of multifamily market data. This acquisition augmented our existing lease transaction data pool, further enhancing the accuracy and value of the analysis and forecasts provided to our clients through our data analytics solutions. We will integrate Axiometrics with our existing market research database, MPF Research, to form Data Analytics.

Purchase consideration was comprised of a cash payment at closing of $66.1 million, a deferred cash obligation of up to $7.5 million, and contingent cash payments of up to $5.0 million. The deferred cash obligation serves as security for our benefit against the sellers' indemnification obligation and, subject to any indemnification claims made, will be released over a period of two years following the acquisition date. Payment of the contingent cash obligation is dependent upon the achievement of certain revenue targets during the twelve-month period ending December 31, 2018.

2016 Acquisitions

eSupply Systems, LLC

In June 2016, we acquired substantially all of the assets of eSupply Systems, LLC ("eSupply") and those of certain entities related to eSupply. eSupply is an e-procurement software and group purchasing service which augments our existing spend management solutions. The addition of this group purchasing organization provides increased purchasing power and highly competitive pricing structures for our clients. The addition of eSupply's assets rounds out our spend management offering by adding a powerful group purchasing service to an already robust e-procurement platform, a large network of vendors, a vendor credentialing service, and purchasing advisory services.

We acquired eSupply for a purchase price of $7.0 million, consisting of a cash payment of $5.5 million at closing and deferred cash obligations of up to $1.6 million, payable over 18 months after the acquisition date. The deferred cash obligation is subject to adjustments specified in the purchase agreement related to the sellers’ indemnification obligations.

AssetEye, Inc.

In May 2016, we acquired all of the issued and outstanding stock of AssetEye, Inc. ("AssetEye"). AssetEye is a data aggregation, reporting, and collaboration platform for institutions holding multiple real estate asset classes. This acquisition expanded our on demand offerings to serve all asset classes, including commercial, hospitality, multifamily, single family, senior living, and student housing. The AssetEye software provides asset and portfolio managers with a solution to evaluate performance, trends, and operations across a portfolio with transparency into property-level data. On demand analytics allow stakeholders to quickly combine financial results and operating metrics based upon portfolio attributes that help evaluate asset management strategies.

We acquired AssetEye’s issued and outstanding stock for a purchase price of $4.9 million. The purchase price consisted of a cash payment of $3.6 million at closing, net of cash acquired of $0.8 million; deferred cash obligations of up to $1.0 million, payable over a period of two years following the date of acquisition; contingent cash payments of up to $1.0 million if certain revenue targets are achieved during the three-month period ending September 30, 2017; and additional cash payments of $0.2 million due to former shareholders of AssetEye.

NWP Services Corporation

In March 2016, we acquired all of the issued and outstanding stock of NWP Services Corporation ("NWP"). NWP provides a full range of utility management services, including resident billing; payment processing; utility expense processing; and other services that help utilities manage their customer base.
management; analytics and reporting; sub-metering and maintenance; and regulatory compliance. The primary products offered by NWP include Utility Logic, Utility Smart, Utility Genius, SmartSource, and NWP Sub-meter. We are integrating NWP into our resident services product family. The integrated platform will enable property owners and managers to increase the collection of rent utilities and energy recovery. We acquired NWP’s issued and outstanding stock for a purchase price of $69.0 million. The purchase price consisted of a cash payment of $59.0 million at closing, net of cash acquired of $0.1 million; deferred cash obligations of $7.2 million, payable over a period of three years following the date of acquisition; and other amounts totaling $3.2 million, consisting of payments to certain employees and shareholders of NWP. Through the NWP acquisition, we have obtained a significantly larger share of the utility metering services market. We expect to realize significant synergies by integrating NWP into our existing operating structure and with our Velocity product.

Key Business Metrics

In addition to traditional financial measures, we monitor our operating performance using a number of financially and non-financially derived metrics that are not included in our condensed consolidated financial statements. We monitor the key performance indicators reflected in the following table:

<table>
<thead>
<tr>
<th>Metric</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in thousands, except dollar per unit data and percentages)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$152,919</td>
<td>$128,383</td>
</tr>
<tr>
<td>On demand revenue</td>
<td>$146,213</td>
<td>$123,411</td>
</tr>
<tr>
<td>On demand revenue as a percentage of total revenue</td>
<td>95.6%</td>
<td>96.1%</td>
</tr>
</tbody>
</table>

| Ending on demand units | 11,112 | 10,999 |
| Average on demand units | 11,050 | 10,783 |
| Non-GAAP total revenue | $153,624 | $128,040 |
| Non-GAAP on demand revenue | $146,918 | $123,068 |
| Annualized non-GAAP on demand revenue per average on demand unit | $53.65 | $48.10 |
| Non-GAAP on demand annual client value | $596,159 | $529,052 |
| Adjusted EBITDA | $37,078 | $27,452 |

Adjusted EBITDA Margin | 24.1% | 21.4% |

On demand revenue: This metric represents the GAAP revenue derived from license and subscription fees relating to our on demand software solutions, typically licensed over one year terms; commission income from sales of renter’s insurance policies; and transaction fees for certain of our on demand software solutions. We consider on demand revenue to be a key business metric because we believe the market for our on demand software solutions represents the largest growth opportunity for our business.

On demand revenue as a percentage of total revenue: This metric represents on demand revenue for the period presented divided by total revenue for the same period. We use on demand revenue as a percentage of total revenue to measure our success executing our strategy to increase the penetration of our on demand software solutions and expand our recurring revenue streams attributable to these solutions. We expect our on demand revenue to remain a significant percentage of our total revenue although the actual percentage may vary from period to period due to a number of factors, including the timing of acquisitions; professional and other revenues; and on premise perpetual license sales and maintenance fees.

Ending on demand units: This metric represents the number of rental housing units managed by our clients with one or more of our on demand software solutions at the end of the period. We use ending on demand units to measure the success of our strategy of increasing the number of rental housing units managed with our on demand software solutions. Property unit counts are provided to us by our clients as new sales orders are processed. Property unit counts may be adjusted periodically as information related to our clients’ properties is updated or supplemented, which could result in adjustments to the number of units previously reported.

Average on demand units: We calculate average on demand units as the average of the beginning and ending on demand units for each quarter in the period presented. This metric is a measure of our success increasing the number of on demand software solutions utilized by our clients to manage their rental housing units, our overall revenue, and profitability.

Non-GAAP total revenue: This metric is calculated by adding acquisition-related and other deferred revenue adjustments to total revenue. We believe it is useful to include deferred revenue written down for GAAP purposes under purchase.
accounting rules and revenue deferred due to a lack of historical experience determining the settlement of the contractual obligation in order to appropriately measure the underlying performance of our business operations in the period of activity and associated expense. Further, we believe this measure is useful to investors as a way to evaluate the Company’s ongoing performance.

The following provides a reconciliation of GAAP to non-GAAP total revenue:

<table>
<thead>
<tr>
<th>Three Months Ended March 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$152,919</td>
<td>$128,383</td>
</tr>
<tr>
<td>Acquisition-related and other deferred revenue adjustments</td>
<td>705</td>
<td>(343)</td>
</tr>
<tr>
<td>Non-GAAP total revenue</td>
<td>$153,624</td>
<td>$128,040</td>
</tr>
</tbody>
</table>

Non-GAAP on demand revenue: This metric reflects total on demand revenue plus acquisition-related and other deferred revenue adjustments, as defined below. We believe inclusion of these items provides a useful measure of the underlying performance of our on demand business operations in the period of activity and associated expense. Further, we believe that investors and financial analysts find this measure to be useful in evaluating the Company’s ongoing performance because it provides a more accurate depiction of on demand revenue.

The following provides a reconciliation of GAAP to non-GAAP on demand revenue:

<table>
<thead>
<tr>
<th>Three Months Ended March 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>On demand revenue</td>
<td>$146,213</td>
<td>$123,411</td>
</tr>
<tr>
<td>Acquisition-related and other deferred revenue adjustments</td>
<td>705</td>
<td>(343)</td>
</tr>
<tr>
<td>Non-GAAP on demand revenue</td>
<td>$146,918</td>
<td>$123,068</td>
</tr>
</tbody>
</table>

Non-GAAP on demand revenue per average on demand unit ("RPU"): This metric is calculated by dividing non-GAAP on demand revenue by average on demand units for the same period, including pro forma adjustments for significant acquisitions and dispositions during the period. For interim periods, the calculation is performed on an annualized basis.

Non-GAAP on demand annual client value ("ACV"): We define ACV as RPU multiplied by ending on demand units. We monitor this metric to measure our success increasing the number of on demand units and the amount of software solutions utilized by our clients to manage their rental housing units. In addition, we believe ACV provides a useful proxy for the annual run-rate value of on demand client relationships.

Adjusted EBITDA: We define Adjusted EBITDA as net income, plus (1) acquisition-related and other deferred revenue adjustments, (2) depreciation, asset impairment, and the loss on disposal of assets, (3) amortization of intangible assets, (4) acquisition-related expense (income), (5) interest expense, net, (6) income tax expense, (7) litigation-related expense, (8) headquarters relocation costs, and (9) stock-based expense. We believe that investors and financial analysts find this non-GAAP financial measure to be useful in analyzing the Company’s financial and operational performance, comparing this performance to the Company’s peers and competitors, and understanding the Company’s ability to generate income from ongoing business operations.
The following provides a reconciliation of net income to Adjusted EBITDA:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 8,195</td>
<td>$ 2,996</td>
</tr>
<tr>
<td>Acquisition-related and other deferred revenue adjustments</td>
<td>705</td>
<td>(343)</td>
</tr>
<tr>
<td>Depreciation, asset impairment, and loss on disposal of assets</td>
<td>6,675</td>
<td>5,496</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>7,789</td>
<td>7,111</td>
</tr>
<tr>
<td>Acquisition-related expense (income)</td>
<td>1,691</td>
<td>(57)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>1,120</td>
<td>719</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>811</td>
<td>2,114</td>
</tr>
<tr>
<td>Headquarters relocation costs</td>
<td>—</td>
<td>1,025</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>10,092</td>
<td>8,391</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 37,078</td>
<td>$ 27,452</td>
</tr>
</tbody>
</table>

Adjusted EBITDA Margin: Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by non-GAAP total revenue. We believe that investors and financial analysts find this non-GAAP financial measure to be useful in analyzing our financial and operational performance, comparing this performance to our peers and competitors, and understanding our ability to generate income from ongoing business operations.

Non-GAAP Financial Measures

We report our financial results in accordance with GAAP; however, we believe that, in order to properly understand the Company’s short-term and long-term financial, operational, and strategic trends, it may be helpful for investors to exclude certain non-cash or non-recurring items when used as a supplement to financial performance measures in accordance with GAAP. These non-cash or non-recurring items result from facts and circumstances that vary in both frequency and impact on continuing operations. We also use results of operations excluding such items to evaluate our operating performance compared against prior periods, make operating decisions, determine executive compensation, and serve as a basis for long-term strategic planning. These non-GAAP financial measures provide us with additional means to understand and evaluate the operating results and trends in our ongoing business by eliminating certain non-cash expenses and other items that we believe might otherwise make comparisons of our ongoing business with prior periods more difficult, obscure trends in ongoing operations, reduce our ability to make useful forecasts, or obscure the ability to evaluate the effectiveness of certain business strategies, and management incentive structures. In addition, we also believe that investors and financial analysts find this information helpful in analyzing our financial and operational performance and comparing this performance to our peers and competitors. These non-GAAP financial measures are used in conjunction with traditional GAAP financial measures as part of our overall assessment of our performance.

We do not place undue reliance on non-GAAP financial measures as measures of operating performance. Non-GAAP financial measures should not be considered substitutes for other measures of financial performance or liquidity reported in accordance with GAAP. There are limitations to using non-GAAP financial measures, including that other companies may calculate these measures differently than we do; that they do not reflect changes in, or cash requirements for, our working capital; and that they do not reflect our capital expenditures or future requirements for capital expenditures. We compensate for the inherent limitations associated with using non-GAAP financial measures through disclosure of these limitations, presentation of our financial statements in accordance with GAAP, and reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

We exclude or adjust each of the items identified below from the applicable non-GAAP financial measure referenced above for the reasons set forth with respect to each excluded item:

Acquisition-related and other deferred revenue: These items are included to reflect deferred revenue written down for GAAP purposes under purchase accounting rules and revenue deferred due to a lack of historical experience determining the settlement of the contractual obligation in order to appropriately measure the underlying performance of our business operations in the period of activity and associated expense.

Asset impairment and loss on disposal of assets: These items comprise gains and/or losses on the disposal and impairment of long-lived assets, which are not reflective of our ongoing operations. We believe exclusion of these items facilitates a more accurate comparison of our results of operations between periods.

Depreciation of long-lived assets: Long-lived assets are depreciated over their estimated useful lives in a manner reflecting the pattern in which the economic benefit is consumed. Management is limited in its ability to change or influence
these charges after the asset has been acquired and placed in service. We do not believe that depreciation expense accurately reflects the performance of the Company’s ongoing operations for the period in which the charges are incurred, and are therefore not considered by management in making operating decisions.

Amortization of intangible assets: These items are amortized over their estimated useful lives and generally cannot be changed or influenced by management after acquisition. Accordingly, these items are not considered by us in making operating decisions. We do not believe such charges accurately reflect the performance of the Company’s ongoing operations for the period in which such charges are incurred.

Acquisition-related expense (income): These items consist of direct costs incurred in our business acquisition transactions and the impact of changes in the fair value of acquisition-related contingent consideration obligations. We believe exclusion of these items facilitates a more accurate comparison of the results of the Company’s ongoing operations across periods and eliminates volatility related to changes in the fair value of acquisition-related contingent consideration obligations.

Litigation-related expense: This item relates to the Company's litigation with Yardi Systems, Inc., including related insurance litigation and settlement costs. This significant and non-recurring litigation and related ancillary matters were resolved in the second quarter of 2014. We believe that the costs incurred related to this litigation are not reflective of the Company’s ongoing operations.

Headquarters relocation costs: These items consist of duplicative rent and other expenses related to the relocation of our corporate headquarters and data center, which was substantially completed in the third quarter of 2016. These costs are not reflective of the Company’s ongoing operations due to their non-recurring nature.

Stock-based expense: This item is excluded because these are non-cash expenditures that we do not consider part of ongoing operating results when assessing the performance of our business, and also because the total amount of the expenditure is partially outside of management’s control because it is based on factors such as stock price, volatility, and interest rates, which may be unrelated to the Company’s performance during the period in which the expenses are incurred.

Key Components of Our Results of Operations

Revenue

We derive our revenue from three primary sources: our on demand software solutions, our on premise software solutions, and our professional and other services.

On demand revenue: Revenue from our on demand software solutions is comprised of license and subscription fees relating to our on demand software solutions, typically licensed for one year terms; commission income from sales of renter’s insurance policies; and transaction fees for certain on demand software solutions, such as payment processing, spend management, and billing services. Typically, we price our on demand software solutions based primarily on the number of units the client manages with our solutions. For our insurance based solutions, our agreement provides for a fixed commission on earned premiums related to the policies sold by us. The agreement also provides for a contingent commission to be paid to us in accordance with the agreement. Our transaction-based solutions are priced based on a fixed rate per transaction.

On premise revenue: Our on premise software solutions are distributed to our clients and maintained locally on the client’s hardware. Revenue from our on premise software solutions is comprised of license fees under term and perpetual license agreements. Typically, we have licensed our on premise software solutions pursuant to term license agreements with an initial term of one year that include maintenance and support. Clients can renew their term license agreement for additional one-year terms at renewal price levels.

We no longer actively market our legacy on premise software solutions to new clients, and only license these solutions to a small portion of our existing on premise clients as they expand their portfolio of rental housing properties. While we intend to continue supporting our on premise software solutions, we expect that many of the clients who license these solutions will transition to our on demand software solutions over time.

Professional and other revenue: Revenue from professional and other services consists of consulting and implementation services; training; and other ancillary services. We complement our solutions with professional and other services for our clients willing to invest in enhancing the value or decreasing the implementation time of our solutions. Our professional and other services are typically priced as time and materials engagements.

Cost of Revenue

Cost of revenue consists primarily of personnel costs related to our operations; support services; training and implementation services; expenses related to the operation of our data centers; and fees paid to third-party service providers. Personnel costs include salaries, bonuses, stock-based expense, and employee benefits. Cost of revenue also includes an allocation of facilities costs; overhead costs and depreciation; as well as amortization of acquired technology related to strategic acquisitions and amortization of capitalized development costs. We allocate facilities, overhead costs, and depreciation based on headcount.
Operating Expenses

We classify our operating expenses into three categories: product development, sales and marketing, and general and administrative. Our operating expenses primarily consist of personnel costs; costs for third-party contracted development; marketing; legal; accounting and consulting services; and other professional service fees. Personnel costs for each category of operating expenses include salaries, bonuses, stock-based expense, and employee benefits for employees in that category. In addition, our operating expenses include an allocation of our facilities costs; overhead costs and depreciation based on headcount for that category; as well as amortization of purchased intangible assets resulting from our acquisitions.

Product development: Product development expense consists primarily of personnel costs for our product development employees and executives and fees to contract development vendors. Our product development efforts are focused primarily on increasing the functionality and enhancing the ease of use of our platform of solutions and expanding our suite of data analytics and on demand software solutions. In addition to our locations in the United States, we maintain product development and service centers in Hyderabad, India; Manila, Philippines; and Cebu City, Philippines.

Sales and marketing: Sales and marketing expense consists primarily of personnel costs for our sales, marketing, and business development employees and executives; information technology; travel and entertainment; and marketing programs. Marketing programs consist of amounts paid for services for search engine optimization (“SEO”) and search engine marketing (“SEM”); renter’s insurance; other advertising; trade shows; user conferences; public relations; industry sponsorships and affiliations; and product marketing. In addition, sales and marketing expense includes amortization of certain purchased intangible assets, including client relationships; key vendor and supplier relationships; and finite-lived trade names, obtained in connection with our acquisitions.

General and administrative: General and administrative expense consists of personnel costs for our executives, finance and accounting, human resources, management information systems, and legal personnel, as well as legal, accounting, and other professional service fees, and other corporate expenses.

Critical Accounting Policies and Estimates

The preparation of our condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures. We base these estimates and assumptions on historical experience, projected future operating or financial results or on various other factors that we believe to be reasonable and appropriate under the circumstances. We reconsider and evaluate our estimates and assumptions on an on-going basis. Accordingly, actual results may differ significantly from these estimates.

We believe that the following critical accounting policies involve our more significant judgments, assumptions and estimates, and therefore, could have the greatest potential impact on our condensed consolidated financial statements:

- Revenue recognition;
- Fair value measurements;
- Business combinations;
- Goodwill and other intangible assets with indefinite lives;
- Impairment of long-lived assets;
- Stock-based expense;
- Income taxes, including deferred tax assets and liabilities; and
- Capitalized product development costs.

Please refer to our Annual Report on Form 10-K filed with the SEC on March 1, 2017 for a discussion of such policies.

Recently Adopted Accounting Standards

On March 30, 2016, the FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. This guidance simplifies accounting for stock-based compensation. Under the new guidance, excess tax benefits and tax deficiencies are now recognized as income tax expense or benefit in the income statement in the period they occur, regardless of whether the benefit reduces taxes payable in the current period. Previously, GAAP required tax benefits in excess of compensation cost to be recorded as additional paid-in capital to the extent taxes payable were reduced and tax deficiencies to be recorded in equity to the extent of previous accumulated excess tax benefit and then recorded to the income statement. The ASU also requires excess tax benefits to be reflected as operating cash flows and allows us to elect to either estimate the number of awards that are expected to vest or account for forfeitures as they occur.

We adopted ASU 2016-09 in the first quarter of 2017. As a result of our adoption of this ASU, we recorded a deferred tax asset of $43.8 million, net of a $0.3 million valuation allowance, related to excess stock compensation deductions that arose but were not recognized in prior years. Additionally, we elected to account for forfeitures as they occur using a modified
retrospective transition method that required us to record an immaterial cumulative-effect adjustment to accumulated deficit. We elected to account for the change in presentation of excess tax benefits in the statements of cash flows prospectively, and as a result, no prior periods were adjusted. We began to account for all excess tax benefits and deficits arising from current period stock transactions as income tax benefit or expense effective January 1, 2017. The remaining amendments to this standard did not have a material impact on our condensed consolidated financial statements.

Results of Operations

The following tables set forth our unaudited results of operations for the specified periods and the components of such results as a percentage of total revenue for the respective periods. The period-to-period comparison of financial results is not necessarily indicative of future results.

### Condensed Consolidated Statements of Operations

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in thousands, except per share and ratio amounts)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On demand</td>
<td>$146,213</td>
<td>95.6 %</td>
<td>$123,411</td>
<td>96.1 %</td>
</tr>
<tr>
<td>On premise</td>
<td>675</td>
<td>0.5</td>
<td>772</td>
<td>0.6</td>
</tr>
<tr>
<td>Professional and other</td>
<td>6,031</td>
<td>3.9</td>
<td>4,200</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>152,919</td>
<td>100.0</td>
<td>128,383</td>
<td>100.0</td>
</tr>
<tr>
<td>Cost of revenue(1)</td>
<td>63,042</td>
<td>41.2</td>
<td>54,748</td>
<td>42.6</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>89,877</td>
<td>58.8</td>
<td>73,635</td>
<td>57.4</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product development(1)</td>
<td>20,387</td>
<td>13.3</td>
<td>17,272</td>
<td>13.5</td>
</tr>
<tr>
<td>Sales and marketing(1)</td>
<td>35,147</td>
<td>23.0</td>
<td>32,199</td>
<td>25.1</td>
</tr>
<tr>
<td>General and administrative(1)</td>
<td>24,251</td>
<td>15.9</td>
<td>18,346</td>
<td>14.3</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>79,785</td>
<td>52.2</td>
<td>67,817</td>
<td>52.9</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>10,092</td>
<td>6.6</td>
<td>5,818</td>
<td>4.5</td>
</tr>
<tr>
<td>Interest expense and other, net</td>
<td>(1,086)</td>
<td>(0.7)</td>
<td>(708)</td>
<td>(0.6)</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>9,006</td>
<td>5.9</td>
<td>5,110</td>
<td>3.9</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>811</td>
<td>0.5</td>
<td>2,114</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$8,195</td>
<td>5.4 %</td>
<td>$2,996</td>
<td>2.3 %</td>
</tr>
</tbody>
</table>

Net income per share attributable to common stockholders:

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>$0.10</td>
<td>$0.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.10</td>
<td>$0.04</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Weighted average shares used in computing net income per share attributable to common stockholders:

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>78,263</td>
<td>76,656</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted</td>
<td>81,386</td>
<td>77,147</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Includes stock-based expense as follows:

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenue</td>
<td>$853</td>
<td>$751</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product development</td>
<td>1,879</td>
<td>1,449</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>3,128</td>
<td>2,974</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>4,232</td>
<td>3,217</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

32

Revenue

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31,</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td></td>
<td>(in thousands, except per unit data and percentages)</td>
<td></td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On demand</td>
<td>$ 146,213</td>
<td>$ 123,411</td>
</tr>
<tr>
<td>On premise</td>
<td>675</td>
<td>772</td>
</tr>
<tr>
<td>Professional and other</td>
<td>6,031</td>
<td>4,200</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$ 152,919</td>
<td>$ 128,383</td>
</tr>
<tr>
<td>On demand unit metrics:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ending on demand units</td>
<td>11,112</td>
<td>10,999</td>
</tr>
<tr>
<td>Average on demand units</td>
<td>11,050</td>
<td>10,783</td>
</tr>
<tr>
<td>Non-GAAP revenue metrics:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP on demand revenue</td>
<td>$ 146,918</td>
<td>$ 123,068</td>
</tr>
<tr>
<td>Annualized non-GAAP on demand revenue per average on demand unit</td>
<td>$ 53.65</td>
<td>$ 48.10</td>
</tr>
<tr>
<td>Non-GAAP on demand annual client value</td>
<td>$ 596,159</td>
<td>$ 529,052</td>
</tr>
</tbody>
</table>

The change in total revenue for the three months ended March 31, 2017, as compared to the same period in 2016, was due to the following:

**On demand revenue:** During the three months ended March 31, 2017, on demand revenue increased $22.8 million, or 18.5%, as compared to the same period in 2016. This increase was driven by incremental revenue from our recent acquisitions and growth across our platform of solutions, especially in our resident services and asset optimization platforms. On demand revenue also benefited from overall greater client adoption across our platform of solutions, as evidenced by a year-over-year increase in RPU of $5.55.

On demand revenue generated by our property management solutions for the three months ended March 31, 2017, increased by $3.9 million, or 10.6%, as compared to the same period in the prior year. This growth was primarily attributable to continued sales and client adoption across most of our property management solutions and incremental revenue from our 2016 acquisitions of eSupply and NWP.

On demand revenue from our lease management solutions for the three months ended March 31, 2017, decreased year-over-year by $1.6 million, or 5.4%. This decrease was mainly due to lower revenues from our contact center and senior leasing solutions. These decreases reflect the effect of continued unfavorable macro-economic conditions, increased competition and the sale of certain assets associated with our senior living referral services in the fourth quarter of 2016.

On demand revenue from our resident services solutions continued to experience significant growth, increasing by $15.6 million, or 34.6%, during the three months ended March 31, 2017, as compared to the same period in 2016. This growth is attributable to incremental revenues from our 2016 acquisition of NWP and the continued growth of our other resident services solutions, most notably payment processing and renter's insurance solutions.

On demand revenue derived from our asset optimization solutions grew $4.9 million, or 38.3%, during the three months ended March 31, 2017, as compared to the same period in 2016. This growth is attributable to incremental revenues from our 2017 acquisition of Axiometrics and the growth of our YieldStar Revenue Management, business intelligence, and portfolio asset management solutions.

**On premise revenue:** On premise revenue was $0.7 million for the three months ended March 31, 2017, which is generally consistent with on premise revenue during the same period of 2016. We no longer actively market our legacy on premise software solutions to new clients and only market and support our acquired on premise software solutions. We expect on premise revenue as a percentage of our total revenue to continue to decrease as we transition on premise software solutions to our on demand solutions.

**Professional and other revenue:** Professional and other revenue increased $1.8 million, or 43.6%, for the three months ended March 31, 2017, as compared to the same period in 2016. This growth was primarily a result of additional sub-meter installation revenue from our 2016 acquisition of NWP.
On demand unit metrics: As of March 31, 2017, one or more of our on demand solutions was utilized in the management of 11.1 million rental property units, representing a net increase of 0.1 million units, or 1.0%, year-over-year. Excluding the impact of the sale of certain assets associated with our senior living referral services in the fourth quarter of 2016, on demand units increased year-over-year by 3.9%. This increase was due to new client sales, marketing efforts to existing clients, and acquisitions completed in 2016. On demand units managed by our clients renewed at a rate of 96.8%, based on an average over the eight-quarter period ending March 31, 2017.

Cost of Revenue

<table>
<thead>
<tr>
<th>Three Months Ended March 31,</th>
<th>2017</th>
<th>2016</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>$55,617</td>
<td>$47,140</td>
<td>$8,477</td>
<td>18.0%</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>853</td>
<td>751</td>
<td>102</td>
<td>13.6%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>6,572</td>
<td>6,857</td>
<td>(285)</td>
<td>(4.2%)</td>
</tr>
<tr>
<td>Total cost of revenue</td>
<td>$63,042</td>
<td>$54,748</td>
<td>$8,294</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

Cost of revenue: During the three months ended March 31, 2017, cost of revenue, excluding stock-based expense and depreciation and amortization, increased $8.5 million, as compared to the same period in 2016. A year-over-year increase in direct costs of $4.1 million during the period was driven by our recent acquisitions and higher transaction volume from our payments solution. During the same period, personnel expense increased by $4.0 million, primarily attributable to incremental headcount from our recent acquisitions of NWP and Axiometrics, which contributed $3.3 million to the noted increase, and investments to support our continued growth.

Our gross margin, including depreciation and amortization expense and stock-based expense, increased from 57.4% for the three months ended March 31, 2016, to 58.8% for the same period in 2017, primarily driven by the growth of our resident services and asset optimization solutions. Cost containment strategies in our personnel and information technology expenses also contributed to this increase. Margin growth was diluted by our NWP acquisition, which has a higher mix of sub-meter installation revenue and a higher cost workforce relative to similar solutions offered by the Company.

Operating Expenses

Changes in the stock-based expense and depreciation and amortization expense components of all operating expense categories are separately discussed below.

<table>
<thead>
<tr>
<th>Three Months Ended March 31,</th>
<th>2017</th>
<th>2016</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product development</td>
<td>$16,978</td>
<td>$14,623</td>
<td>$2,355</td>
<td>16.1%</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>1,879</td>
<td>1,449</td>
<td>430</td>
<td>29.7%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,530</td>
<td>1,200</td>
<td>330</td>
<td>27.5%</td>
</tr>
<tr>
<td>Total product development</td>
<td>$20,387</td>
<td>$17,272</td>
<td>$3,115</td>
<td>18.0%</td>
</tr>
</tbody>
</table>

Product development: Product development expense increased $2.4 million for the three months ended March 31, 2017, as compared to the same period in 2016. Year-over-year increases in personnel expense of $1.7 million and professional fees of $0.4 million were both driven by investments to support the development of our next generation of solutions and to enhance our existing solutions. An increase in information technology of $0.3 million also contributed to the increase in product development expense for the period.

The ratio of product development expense to total revenue for the three months ended March 31, 2017, was generally consistent with that of the prior year at 13.3% in 2017 and 13.5% in 2016.
### Table of Contents

<table>
<thead>
<tr>
<th>Table of Contents</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Three Months Ended March 31, 2017</th>
<th>2016</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>(in thousands, except percentages)</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>$27,331</td>
<td>$25,673</td>
<td>$1,658</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>3,128</td>
<td>2,974</td>
<td>154</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>4,688</td>
<td>3,552</td>
<td>1,136</td>
</tr>
<tr>
<td>Total sales and marketing expense</td>
<td>$35,147</td>
<td>$32,199</td>
<td>$2,948</td>
</tr>
</tbody>
</table>

**Sales and marketing:** Sales and marketing expense increased year-over-year by $1.7 million during the three months ended March 31, 2017, as compared to the same period in 2016. Personnel expense increased $1.0 million between the respective periods, primarily due to incremental headcount from our 2017 acquisition of Axiometrics and investments to enhance the productivity of our sales function. Marketing program costs increased year-over-year by $0.7 million, reflecting investments to accelerate client demand across our portfolio of solutions. These increases were partially offset by a decrease in SEO spend of $0.3 million, primarily arising from our sale of certain assets associated with our senior living referral services in the fourth quarter of 2016.

Sales and marketing expense as a percentage of total revenue decreased from 25.1% during the three month period ended March 31, 2016, to 23.0% for the same period in 2017. This reduction is attributable to benefits from our cost containment strategy and leverage gained from our focus on sales productivity. These decreases were partially offset by higher amortization expense related to our recent acquisitions.

<table>
<thead>
<tr>
<th>Three Months Ended March 31, 2017</th>
<th>2016</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>(in thousands, except percentages)</td>
</tr>
<tr>
<td>General and administrative</td>
<td>$18,369</td>
<td>$14,131</td>
<td>$4,238</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>4,232</td>
<td>3,217</td>
<td>1,015</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,650</td>
<td>998</td>
<td>652</td>
</tr>
<tr>
<td>Total general and administrative expense</td>
<td>$24,251</td>
<td>$18,346</td>
<td>$5,905</td>
</tr>
</tbody>
</table>

**General and administrative:** General and administrative expense for the three months ended March 31, 2017, increased $4.2 million, as compared to the same period in the prior year. Professional fees increased year-over-year by $2.6 million, driven by higher levels of legal and consulting services primarily related to our acquisitions. An increase of $1.5 million in personnel expense was principally attributable to incremental headcount from our 2016 acquisition of NWP and 2017 acquisition of Axiometrics, which together represent $0.9 million of this increase, and investments to support our continued growth.

General and administrative expense as a percentage of total revenue increased from 14.3% to 15.9% during the three months ended March 31, 2017, as compared to the same period in 2016. The primary driver of this increase was higher professional fees in the current period, as described above. This increase was partially offset by a reduction in facilities expense from the first quarter of 2016, which included costs related to the relocation of our corporate headquarters and data center. Higher stock-based compensation expense also contributed to the noted increase.

**Stock-based Expense**

<table>
<thead>
<tr>
<th>Three Months Ended March 31, 2017</th>
<th>2016</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>(in thousands, except percentages)</td>
</tr>
<tr>
<td>Stock-based expense</td>
<td>$10,092</td>
<td>$8,391</td>
<td>$1,701</td>
</tr>
</tbody>
</table>

Stock-based expense for the three months ended March 31, 2017, increased by $1.7 million as compared to the same period of 2016. This increase is attributable to incremental expense from awards granted subsequent to the first quarter of 2016, partially offset by awards which fully vested during the same period. Stock-based expense as a percent of total revenue was 6.6% and 6.5% for the three months ended March 31, 2017 and 2016, respectively.
Depreciation and Amortization Expense

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
<td>Change</td>
</tr>
<tr>
<td>---------------------</td>
<td>------</td>
<td>------</td>
<td>--------</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>$6,651</td>
<td>$5,496</td>
<td>$1,155</td>
</tr>
<tr>
<td>Amortization expense</td>
<td>7,789</td>
<td>7,111</td>
<td>678</td>
</tr>
<tr>
<td>Total depreciation and amortization expense</td>
<td>$14,440</td>
<td>$12,607</td>
<td>$1,833</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense increased $1.8 million during the three months ended March 31, 2017, as compared to the same period in 2016. Depreciation expense increased year-over-year primarily due to elevated capital expenditures in 2016 related to the relocation of our corporate headquarters and data center. Higher amortization expense was driven by the addition of finite-lived intangible assets in connection with our recent acquisitions.

Interest Expense and Other, Net

Interest expense and other for the three months ended March 31, 2017, increased year-over-year by $0.4 million. This is primarily due to an increase in interest expense in the current year, attributable to higher average outstanding borrowings from our Term Loan entered into in February 2016.

Provision for Taxes

We compute our provision for income taxes on a quarterly basis by applying an estimated annual effective tax rate to income from recurring operations and other taxable income and by calculating the tax effect of discrete items recognized during the quarter. Our effective income tax rate was 9.0% and 41.4% for the three months ended March 31, 2017 and 2016, respectively. Our effective rate was lower than the statutory rate for the three months ended March 31, 2017, primarily because of excess tax benefits from stock compensation of $2.7 million recognized as a discrete item during the period, as required by ASU 2016-09. The effective rate was higher than the statutory rate for the three months ended March 31, 2016, primarily because of state income taxes and non-deductible expenses.

Liquidity and Capital Resources

Our primary sources of liquidity as of March 31, 2017, consisted of $59.5 million of cash and cash equivalents, $200.0 million available under the Revolving Facility, $200.0 million available under the Delayed Draw Term Loan, and $31.5 million of working capital (excluding $59.5 million of cash and cash equivalents and $98.3 million of deferred revenue).

Our principal uses of liquidity have been to fund our operations, working capital requirements, capital expenditures and acquisitions, to service our debt obligations, and to repurchase shares of our common stock. We expect that working capital requirements, capital expenditures, acquisitions and debt service will continue to be our principal needs for liquidity over the near term. We incurred elevated capital expenditures in 2016, primarily related to the relocation of our corporate headquarters and data center. We expect to generate returns on these investments by incurring lower future rent expense per employee and long-term transaction processing scale. In 2017, we expect capital expenditures to return to more normalized levels. In addition, we have made several acquisitions in which a portion of the cash purchase price is payable at various times through 2019. We expect to fund these obligations from cash provided by operating activities.

In February 2017, we entered into an agreement to acquire LRO and related assets from The Rainmaker Group Holdings, Inc. The closing of the proposed acquisition is subject to standard closing conditions, including the completion of the Hart-Scott-Rodino Antitrust Improvements Act review process. Pursuant to the purchase agreement, purchase consideration will consist of a cash payment at closing of $59.5 million, subject to reduction for outstanding indebtedness, unpaid transaction expenses, and a working capital adjustment; and a deferred cash obligation of up to $1.5 million. The deferred cash obligation serves as security for our benefit against the sellers’ indemnification obligations and, subject to any indemnification claims made, will be released approximately twelve months following the acquisition date. We expect to finance this transaction with funds available under our Credit Facility.

We believe that our existing cash and cash equivalents, working capital (excluding deferred revenue and cash and cash equivalents), and our cash flows from operations are sufficient to fund our operations, working capital requirements, and planned capital expenditures; and to service our debt obligations for at least the next twelve months. Our future working capital requirements will depend on many factors, including our rate of revenue growth, the timing and size of acquisitions, the expansion of our sales and marketing activities, the timing and extent of spending to support product development efforts, the timing of introductions of new solutions and enhancements to existing solutions, and the continuing market acceptance of our solutions. In addition to the transaction discussed above, we may enter into acquisitions of complementary businesses, applications, or technologies in the future that could require us to seek additional equity or debt financing. Additional funds may not be available on terms favorable to us, or at all.
As of December 31, 2016, we had gross federal and state NOL carryforwards of $158.9 million and $60.6 million, respectively. NOLs that we generated are not currently subject to the Section 382 limitation; however, approximately $37.6 million of NOLs generated by our subsidiaries prior to our acquisition of them are subject to the Section 382 limitation. Our federal and state NOL carryforwards may be available to offset future income tax liabilities. If unused, these NOL carryforwards expire at various dates beginning in 2024 for federal NOLs and in 2017 for state NOLs. Total state NOLs expiring in the next five years total approximately $1.8 million.

The following table sets forth cash flow data for the periods indicated therein:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$34,207</td>
<td>$28,969</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>$(76,028)</td>
<td>$(69,369)</td>
</tr>
<tr>
<td>Net cash (used in) provided by financing activities</td>
<td>$(3,499)</td>
<td>66,892</td>
</tr>
</tbody>
</table>

**Net Cash Provided by Operating Activities**

During the three months ended March 31, 2017, net cash provided by operating activities consisted of net income of $8.2 million, net non-cash adjustments to net income of $24.9 million, and a net inflow of cash from changes in working capital of $1.1 million. Non-cash adjustments primarily consisted of depreciation and amortization expense of $14.4 million and stock-based expense of $10.1 million.

Changes in working capital included net cash inflows from accounts receivable of $5.9 million and deferred revenue of $1.8 million. These items were partially offset by net cash outflows from accounts payable and accrued liabilities of $4.5 million, primarily related to the payment of accrued compensation and employee benefits, and from changes in other current assets of $1.4 million.

**Net Cash Used in Investing Activities**

During the three months ended March 31, 2017, we used $76.0 million of net cash in investing activities, consisting of $66.1 million to acquire Axiometrics and $9.9 million for capital expenditures. Capital expenditures during the period primarily included capitalized software development costs and expenditures to support our information technology infrastructure.

**Net Cash Used in Financing Activities**

During the three months ended March 31, 2017, the net cash used in our financing activities primarily consisted of payments of acquisition-related consideration of $6.5 million and $1.3 million of costs incurred in association with the amendment of the Credit Facility. Activity under our stock-based expense plans resulted in net cash inflows of $4.3 million during the three months ended March 31, 2017, primarily driven by the exercise of stock options.

**Contractual Obligations, Commitments, and Contingencies**

**Long-Term Debt Obligations**

On September 30, 2014, we entered into an agreement for a secured revolving credit facility (as amended by the amendments discussed below, the “Credit Facility”) to refinance our outstanding revolving loans. The Credit Facility provides an aggregate principal amount of up to $200.0 million of revolving loans, with sublimits of $10.0 million for the issuance of letters of credit and $20.0 million for swingline loans (“Revolving Facility”). The Credit Facility also allows us, subject to certain conditions, to request term loans or additional revolving commitments up to an aggregate principal amount of $150.0 million, plus an amount that would not cause our Consolidated Net Leverage Ratio, as defined below, to exceed 3.25 to 1.00. At our option, amounts outstanding under the Credit Facility accrue interest, prior to the amendments described below, at a per annum rate equal to either LIBOR, plus a margin ranging from 1.25% to 1.75%, or the Base Rate, plus a margin ranging from 0.25% to 0.75% (“Applicable Margin”). The base LIBOR rate is, at our discretion, equal to either one, two, three, or six month LIBOR. The Base Rate is defined as the greater of Wells Fargo’s prime rate, the Federal Funds Rate plus 0.50%, or one month LIBOR plus 1.00%. In each case, the Applicable Margin is determined based upon our Consolidated Net Leverage Ratio, as defined below.

The Credit Facility is secured by substantially all of our assets, and certain of our existing and future material domestic subsidiaries are required to guarantee our obligations under the Credit Facility. The Credit Facility contains customary covenants, subject in each case to customary exceptions and qualifications, which limit our and certain of our subsidiaries’ ability to, among other things, incur additional indebtedness or guarantee indebtedness of others; create liens on our assets; enter into mergers or consolidations; dispose of assets; prepay certain indebtedness or make changes to our governing documents and certain of our agreements; pay dividends and make other distributions on our capital stock and redeem and repurchase our capital stock; make investments, including acquisitions; and enter into transactions with affiliates.
Our covenants also include a requirement that we comply with a maximum Consolidated Net Leverage Ratio and a minimum Consolidated Interest Coverage Ratio. The Consolidated Net Leverage Ratio, which is defined as the ratio of consolidated funded indebtedness on the last day of each fiscal quarter to the four previous consecutive fiscal quarters’ consolidated EBITDA, could not exceed 3.50 to 1.00, provided that we could elect to increase the ratio to 3.75 to 1.00 for a specified period following certain acquisitions. The Consolidated Interest Coverage Ratio, which is defined as the ratio of our the four previous fiscal quarters’ consolidated EBITDA to our interest expense for the same period, could not be less than 3.00 to 1.00 on the last day of each fiscal quarter.

In February 2016, we entered into an amendment to the Credit Facility ("First Amendment"). The First Amendment provided for an incremental term loan in the amount of $125.0 million ("Term Loan") that was coterminal with the Credit Facility, reducing the amount of additional term loans and revolving commitments available to $25.0 million plus an amount that would not cause our Consolidated Net Leverage Ratio to exceed 3.25 to 1.00. Under the terms of the First Amendment, an additional pricing tier was added to the Applicable Margin which modified the range to 1.25% to 2.00% for LIBOR loans, and 0.25% to 1.00% for Base Rate loans. The First Amendment also permitted us to elect to increase the maximum permitted Consolidated Net Leverage Ratio, on a one-time basis, to 4.00 to 1.00 following the issuance of convertible notes or high yield notes in an initial principal amount of at least $150.0 million.

In February 2017, we entered into the second and third amendments to the Credit Facility ("Second Amendment" and "Third Amendment," respectively). Among other changes, the Second Amendment increased the aggregate amount of additional term loans and revolving commitments we are allowed to request to $150.0 million, plus an amount that would not cause our Consolidated Net Leverage Ratio to exceed 3.25 to 1.00. The Third Amendment provided for an incremental $200.0 million delayed draw term loan ("Delayed Draw Term Loan") that is available to be drawn until May 31, 2017, extended the maturity of the Credit Facility to February 27, 2022, and amended the amortization schedule for the Term Loan. Under the amended amortization schedule, the Company will make quarterly principal payments of 0.6% of the Term Loan’s and Delayed Draw Term Loan’s respective original principal amounts outstanding beginning on June 30, 2017. The quarterly payment amounts increase to 1.3% of their respective original principal amounts outstanding beginning on June 30, 2018, and to 2.5% beginning on June 30, 2020. Any remaining principal balance on the Term Loan and Delayed Draw Term Loan is due on the maturity date, February 27, 2022.

In April 2017, we entered into a new amendment to the Credit Facility ("Fourth Amendment"). The Fourth Amendment modified certain terms of the Credit Facility to, among other things, increase the maximum Consolidated Net Leverage Ratio to 4.00 to 1.00, with an automatic increase to 5.00 to 1.00 following an acquisition having aggregate consideration equal to or greater than $150.0 million and occurring within a specified time period following an unsecured debt issuance equal to or greater than $225.0 million. The automatic increase may occur once during the term of the Credit Facility and lasts for two consecutive fiscal quarters, after which the amendment provides for incremental step downs until the ratio returns to 4.00 to 1.00. Additionally, the automatic increase may only occur during periods in which the referenced unsecured debt is outstanding. Related to this increase, the Fourth Amendment provided for an additional pricing tier for interest rates and fees if our Consolidated Net Leverage Ratio equals or exceeds 4.00 to 1.00, resulting in a new Applicable Margin range of 1.25% to 2.25% for LIBOR loans and 0.25% to 1.25% for Base Rate loans. The amendment also added a new financial covenant, requiring us to comply with a maximum consolidated senior secured net leverage ratio of 3.50 to 1.00, determined in accordance with the terms of the Credit Agreement. At our option, this ratio may be increased to 3.75 to 1.00 for a period of one year following the completion of an acquisition having aggregate consideration greater than $50.0 million. We are not permitted to exercise this option more than one time during any consecutive eight quarter period.

The Credit Facility contains customary events of default, subject to customary cure periods for certain defaults, that include, among others, non-payment defaults, covenant defaults, material judgment defaults, bankruptcy and insolvency defaults, cross-defaults to certain other material indebtedness, defaults for non-compliance with the Employee Retirement Income Security Act ("ERISA"), inaccuracy of representations and warranties and a change in control default.

In the event of a default, the obligations under the Credit Facility could be accelerated, the applicable interest rate under the Credit Facility could be increased, the loan commitments could be terminated, our subsidiaries that have guaranteed the Credit Facility could be required to pay the obligations in full and our lenders would be permitted to exercise remedies with respect to all of the collateral that is securing the Credit Facility, including substantially all of our and our subsidiary guarantors’ assets. Any such default that is not cured or waived could have a material adverse effect on our liquidity and financial condition.

As of March 31, 2017, we were in compliance with the covenants under the Credit Facility.

**Share Repurchase Program**

In May 2014, our board of directors approved a share repurchase program authorizing the repurchase of up to $50.0 million of our outstanding common stock for a period of up to one year after the approval date. Our board of directors approved a one year extension of this program in both 2015 and 2016. On April 28, 2017, our board of directors again approved a one
year extension of the share repurchase program. The terms of this extension permit the repurchase of up to $50.0 million of our common stock during the period commencing on the extension day and ending on May 4, 2018.

Repurchase activity during the three months ended March 31, 2017 and 2016 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Number of shares repurchased</td>
<td>—</td>
</tr>
<tr>
<td>Weighted-average cost per share</td>
<td>$ —</td>
</tr>
<tr>
<td>Total cost of shares repurchased, in thousands</td>
<td>$ —</td>
</tr>
</tbody>
</table>

Other Contractual Obligations

In addition to the contractual obligations discussed above, certain of our business acquisitions include provisions for the payment of deferred and contingent cash obligations. Deferred cash obligations are generally subject to adjustments specified in the underlying acquisition agreement related to the seller’s indemnification obligations, and payment of contingent cash obligations is dependent upon the acquired business achieving agreed-upon operational or financial targets in the post-acquisition period. Deferred and contingent cash obligations related to our acquisitions have payment dates extending through 2019. There have been no other material changes outside normal operations in our contractual obligations from our disclosures within our Form 10-K for the year ended December 31, 2016.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financing arrangements, and we do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in interest rates. We do not hold or issue financial instruments for trading purposes.

We had cash and cash equivalents of $59.5 million and $104.9 million at March 31, 2017 and December 31, 2016, respectively. We hold cash and cash equivalents for working capital purposes. We do not have material exposure to market risk with respect to investments, as our investments consist primarily of highly liquid investments purchased with original maturities of three months or less.

We had $122.6 million outstanding under our Term Loan at March 31, 2017. The Term Loan is reflected net of unamortized debt issuance costs of $1.8 million in the accompanying Condensed Consolidated Balance Sheet. At our option, amounts borrowed under the Credit Facility, as amended through March 31, 2017, accrue interest at a per annum rate equal to either LIBOR, plus a margin ranging from 1.25% to 2.00%, or the Base Rate, plus a margin ranging from 0.25% to 1.00%. The base LIBOR rate is, at our discretion, equal to either one, two, three, or six month LIBOR. The Base Rate is defined as the greater of Wells Fargo’s prime rate, the Federal Funds Rate plus 0.50%, or one month LIBOR plus 1.00%. If the applicable rates change by 10% of the March 31, 2017 closing market rates, our annual interest expense would change by less than $0.1 million.

On March 31, 2016, we entered into two interest rate swap agreements to eliminate variability in interest payments on a portion of the Term Loan. For that portion, the swap agreements replace the term note’s variable rate with a blended fixed rate of 0.89%. We do not use derivative financial instruments for speculative or trading purposes; however, we may adopt additional specific hedging strategies in the future. Any declines in interest rates, however, will reduce future interest income.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Pursuant to Rule 13a-15(b) and Rule 15d-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we carried out an evaluation, with the participation of our management, and under the supervision of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined under Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2017, in ensuring that information required to be disclosed in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and
Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management’s assessment of the effectiveness of our disclosure controls and procedures is expressed at the level of reasonable assurance because management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives.

Changes in Internal Controls

There were no changes in the Company’s internal control over financial reporting during the three months ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Inherent Limitations of Internal Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are subject to legal proceedings and claims arising in the ordinary course of business. We are involved in litigation and other legal proceedings and claims that have not been fully resolved. At this time, we believe that any reasonably possible adverse outcome of these matters would not be material either individually or in the aggregate. Our view of these matters may change in the future as litigation and events related thereto unfold.

Item 1A. Risk Factors.

Risks Related to Our Business

Our quarterly operating results have fluctuated in the past and may fluctuate in the future, which could cause our stock price to decline.

Our quarterly operating results may fluctuate as a result of a variety of factors, many of which are outside of our control. Fluctuations in our quarterly operating results may be due to a number of factors, including the risks and uncertainties discussed elsewhere in this filing. Some of the important factors that could cause our revenues and operating results to fluctuate from quarter to quarter include:

- the extent to which on demand software solutions maintain current and achieve broader market acceptance;
- fluctuations in leasing activity by our clients;
- increase in the number or severity of insurance claims on policies sold by us;
- our ability to timely introduce enhancements to our existing solutions and new solutions;
- our ability to renew the use of our on demand solutions for units managed by our existing clients and to increase the use of our on demand solutions for the management of units by our existing and new clients;
- changes in our pricing policies or those of our competitors or new competitors;
- changes in local economic, political and regulatory environments of our international operations;
- the variable nature of our sales and implementation cycles;
- general economic, industry and market conditions in the rental housing industry that impact our current and potential clients;
- the amount and timing of our investment in research and development activities;
- technical difficulties, service interruptions, data or document losses or security breaches;
Fluctuations in our quarterly operating results or guidance that we provide may lead analysts to change their long-term models for valuing our common stock, cause us to face short-term liquidity issues, impact our ability to retain or attract key personnel or cause other unanticipated issues, all of which could cause our stock price to decline. As a result of the potential variations in our quarterly revenue and operating results, we believe that quarter-to-quarter and year-to-date period comparisons of our revenues and operating results may not be meaningful and the results of any one quarter should not be relied upon as an indication of future performance.

If we are unable to manage the growth of our diverse and complex operations, our financial performance may suffer.

The growth in the size, dispersed geographic locations, complexity and diversity of our business and the expansion of our product lines and client base has placed, and our anticipated growth may continue to place, a significant strain on our managerial, administrative, operational, financial and other resources. We increased our number of employees from approximately 900 as of December 31, 2008 to approximately 4,800 as of March 31, 2017. We increased our number of on demand clients from approximately 2,700 as of December 31, 2008 to approximately 11,300 as of March 31, 2017. In addition, we have grown and expect to continue to grow through acquisitions. Our ability to effectively manage our anticipated future growth will depend on, among other things, the following:

- successfully supporting and maintaining a broad range of current and emerging solutions;
- identifying suitable acquisition targets and efficiently managing the closing of acquisitions and the integration of targets into our operations;
- maintaining continuity in our senior management and key personnel;
- attracting, retaining, training and motivating our employees, particularly technical, client service and sales personnel;
- enhancing our financial and accounting systems and controls;
- enhancing our information technology infrastructure, processes and controls;
- successfully completing system upgrades and enhancements; and
- managing expanded operations in geographically dispersed locations.

If we do not manage the size, complexity and diverse nature of our business effectively, we could experience product performance issues, delayed software releases and longer response times for assisting our clients with implementation of our solutions and could lack adequate resources to support our clients on an ongoing basis, any of which could adversely affect our reputation in the market and our ability to generate revenue from new or existing clients.

The nature of our platform is complex and highly integrated, and if we fail to successfully manage releases or integrate new solutions, it could harm our revenues, operating income and reputation.
We manage a complex platform of solutions that consists of our property management solutions, integrated software-enabled value-added services and web-based advertising and lease generation services. Many of our solutions include a large number of product centers that are highly integrated and require interoperability with other RealPage, Inc. products, as well as products and services of third-party service providers. Additionally, we typically deploy new releases of the software underlying our on demand software solutions on a bi-weekly, monthly or quarterly schedule, depending on the solution. Due to this complexity and the condensed development cycles under which we operate, we may experience errors in our software, corruption or loss of our data or unexpected performance issues from time to time. For example, our solutions may face interoperability difficulties with software operating systems or programs being used by our clients, or new releases, upgrades, fixes or the integration of acquired technologies may have unanticipated consequences on the operation and performance of our other solutions. If we encounter integration challenges or discover errors in our solutions late in our development cycle, it may cause us to delay our launch dates. Any major integration or interoperability issues or launch delays could have a material adverse effect on our revenues, operating income and reputation.

Our business depends substantially on the renewal of our products and services for on demand units managed by our clients and the increase in the use of our on demand products and services for on demand units.

With the exception of some of our LeaseStar and Propertyware solutions, which are typically month-to-month, we generally license our solutions pursuant to client agreements with a term of one year or longer. The pricing of the agreements is typically based on a price per unit basis. Our clients have no obligation to renew these agreements after their term expires, or to renew these agreements at the same or higher annual contract value. In addition, under specific circumstances, our clients have the right to cancel their client agreements before they expire, for example, in the event of an uncured breach by us, or in some circumstances, upon the sale or transfer of a client property, by giving 30 days’ notice or paying a cancellation fee. In addition, clients often purchase a higher level of professional services in the initial term than they do in renewal terms to ensure successful activation. As a result, our ability to grow is dependent in part on clients purchasing additional solutions or professional services for their on demand units after the initial term of their client agreement. Though we maintain and analyze historical data with respect to rates of client renewals, upgrades and expansions, those rates may not accurately predict future trends in renewal of on demand units. Our clients’ on demand unit renewal rates may decline or fluctuate for a number of reasons, including, but not limited to, their level of satisfaction with our solutions, our pricing, our competitors’ pricing, reductions in our clients’ spending levels or reductions in the number of on demand units managed by our clients. If our clients cancel or amend their agreements with us during their term, do not renew their agreements, renew on less favorable terms or do not purchase additional solutions or professional services in renewal periods, our revenue may grow more slowly than expected or decline and our profitability may be harmed.

Additionally, we have experienced, and expect to continue to experience, some level of on demand unit attrition as properties are sold and the new owners and managers of properties previously owned or managed by our clients do not continue to use our solutions. We cannot predict the amount of on demand unit turnover we will experience in the future. However, we have experienced higher rates of on demand unit attrition with our Propertyware property management system, primarily because it serves smaller properties than our OneSite property management system, and we may experience higher levels of on demand unit attrition to the extent Propertyware grows as a percentage of our revenues. If we experience increased on demand unit turnover, our financial performance and operating results could be adversely affected.

On demand revenue that is derived from products that help owners and managers lease and market apartments, such as certain products in LeaseStar and LeasingDesk, may decrease as occupancy rates rise. We have also experienced, and expect to continue to experience, some number of consolidations of our clients with other parties. If one of our clients consolidates with a party who is not a client, our client may decide not to continue to use our solutions for its on demand units. In addition, if one of our clients is consolidated with another client, the acquiring client may have negotiated lower prices for our solutions or may use fewer of our solutions than the acquired client. In each case, the consolidated entity may attempt to negotiate lower prices for using our solutions as a result of the entity’s increased size. These consolidations may cause us to lose on demand units or require us to reduce prices as a result of enhanced client leverage, which could cause our financial performance and operating results to be adversely affected.

Because we recognize subscription revenue over the term of the applicable client agreement, a decline in subscription renewals or new service agreements may not be reflected immediately in our operating results.

We generally recognize revenue from clients ratably over the terms of their client agreements which, with the exception of our month-to-month advertising, lease generation and Propertyware agreements, are typically one year. As a result, much of the revenue we report in each quarter is deferred revenue from client agreements entered into during previous quarters. Consequently, a decline in new or renewed client agreements in any one quarter will not be fully reflected in our revenue or our results of operations until future periods. Accordingly, this revenue recognition model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new clients must be recognized over the applicable subscription term.
We may not be able to continue to add new clients and retain and increase sales to our existing clients, which could adversely affect our operating results.

Our revenue growth is dependent on our ability to continually attract new clients while retaining and expanding our service offerings to existing clients. Growth in the demand for our solutions may be inhibited and we may be unable to sustain growth in our sales for a number of reasons, including, but not limited to:

- our failure to develop new or additional solutions;
- our inability to market our solutions in a cost-effective manner to new clients or in new vertical or geographic markets;
- our inability to expand our sales to existing clients;
- the inability of our LeaseStar product family to grow traffic to its websites, resulting in lower levels of lead and lease/move-in traffic to clients;
- our inability to build and promote our brand; and
- perceived or actual security, integrity, reliability, quality or compatibility problems with our solutions.

A substantial amount of our past revenue growth was derived from purchases of upgrades and additional solutions by existing clients. Our costs associated with increasing revenue from existing clients are generally lower than costs associated with generating revenue from new clients. Therefore, a reduction in the rate of revenue increase from our existing clients, even if offset by an increase in revenue from new clients, could reduce our profitability and have a material adverse effect on our operating results.

The completion of the Rainmaker LRO acquisition is subject to the receipt of consents and approvals from governmental entities, which may impose conditions that cause either the Company or Rainmaker to abandon the acquisition.

The Asset Purchase Agreement entered into in connection with the Rainmaker LRO acquisition contains various conditions precedent to consummation of that acquisition, including obtaining approval of the United States Federal Trade Commission and Department of Justice under the Hart-Scott-Rodino Antitrust Improvements Act. These governmental entities may decline to approve the acquisition or may impose conditions on the completion of, or require changes to the terms of, the acquisition that could cause the Company or Rainmaker LRO to abandon the acquisition.

Even if we obtain governmental approval, doing so may take longer, and could cost more, than we expect. In addition, other conditions to the completion of the Rainmaker LRO acquisition may not be satisfied. Any delay in completing the Rainmaker LRO acquisition, or any additional conditions imposed in order to complete the acquisition, may materially adversely affect the benefits that we expect to achieve from the acquisition and the integration of the acquired assets and liabilities to be assumed into our business.

If we are not able to integrate past or future acquisitions successfully, our operating results and prospects could be harmed.

We have acquired new technology and domain expertise through multiple acquisitions, including our most recent acquisitions. We expect to continue making acquisitions. The success of our future acquisition strategy will depend on our ability to identify, negotiate, complete and integrate acquisitions. Acquisitions are inherently risky, and any acquisitions we complete may not be successful. Any acquisitions we pursue involve numerous risks, including the following:

- difficulties in integrating and managing the operations and technologies of the companies we acquire;
- diversion of our management’s attention from normal daily operations of our business;
- our inability to maintain the clients, the key employees, the key business relationships and the reputations of the businesses we acquire;
- our inability to generate sufficient revenue from acquisitions to offset our increased expenses associated with acquisitions;
- difficulties in predicting or achieving the synergies between acquired businesses and our own businesses;
- our responsibility for the liabilities of the businesses we acquire, including, without limitation, liabilities arising out of their failure to maintain effective data security, data integrity, disaster recovery and privacy controls prior to the acquisition, or their infringement or alleged infringement of third-party intellectual property, contract or data access rights prior to the acquisition;
- difficulties in complying with new markets or regulatory standards to which we were not previously subject;
- delays in our ability to implement internal standards, controls, procedures and policies in the businesses we acquire; and
• adverse effects of acquisition activity on the key performance indicators we use to monitor our performance as a business.

Our current acquisition strategy includes the acquisition of complementary businesses, products, and solutions. In order to integrate and fully realize the benefits of such acquisitions, we expect to build application interfaces that enable such clients to use a wide range of our solutions while they continue to use their legacy management systems. In addition, over time we expect to migrate each acquired company’s clients to our on demand property management solutions to retain them as clients and to be in a position to offer them our solutions on a cost-effective basis. These efforts may be unsuccessful or entail costs that result in losses or reduced profitability.

Unanticipated events and circumstances occurring in future periods may affect the realizability of our intangible assets recognized through acquisitions. The events and circumstances that we consider include significant under-performance relative to projected future operating results and significant changes in our overall business or product strategies. These events and circumstances may cause us to revise our estimates and assumptions used in analyzing the value of our other intangible assets with indefinite lives, and any such revision could result in a non-cash impairment charge that could have a material impact on our financial results.

We may be unable to secure the equity or debt funding necessary to finance future acquisitions on terms that are acceptable to us, or at all. If we finance acquisitions by issuing equity or convertible debt securities, our existing stockholders will likely experience ownership dilution, and if we finance future acquisitions with debt funding, we will incur interest expense and may have to comply with additional financing covenants or secure that debt obligation with our assets.

If we are unable to successfully develop or acquire and sell enhancements and new solutions, our revenue growth will be harmed and we may not be able to meet profitability expectations.

The industry in which we operate is characterized by rapidly changing client requirements, technological developments and evolving industry standards. Our ability to attract new clients and increase revenue from existing clients will depend in large part on our ability to successfully develop, bring to market and sell enhancements to our existing solutions and new solutions that effectively respond to the rapid changes in our industry. Any enhancements or new solutions that we develop or acquire may not be introduced to the market in a timely or cost-effective manner and may not achieve the broad market acceptance necessary to generate the revenue required to offset the operating expenses and capital expenditures related to development or acquisition. If we are unable to timely develop or acquire and sell enhancements and new solutions that keep pace with the rapid changes in our industry, our revenue will not grow as expected and we may not be able to maintain or meet profitability expectations.

We derive a substantial portion of our revenue from a limited number of our solutions and failure to maintain demand for these solutions and increase demand for our other solutions could negatively affect our operating results.

Historically, a majority of our revenue was derived from sales of our OneSite property management system and our LeasingDesk software-enabled value-added service. If we suffer performance issues with these solutions or if we are unable to develop enhancements necessary to maintain demand for these solutions or to diversify our revenue base by increasing demand for our other solutions, our operating results could be negatively impacted.

We use a small number of owned data centers to deliver our solutions. Any disruption of service at our data centers or other facilities could interrupt or delay our clients’ access to our solutions, which could harm our operating results.

The ability of our clients to access our service is critical to our business. We host our products and services, support our operations and service our clients primarily from our data centers in the Dallas, Texas area.

We may fail to provide such service as a result of numerous factors, many of which are beyond our control, including, without limitation: mechanical failure, power outage, human error, physical or electronic security breaches, war, terrorism and related conflicts or similar events worldwide, fire, earthquake, hurricane, flood and other natural disasters, sabotage and vandalism. We attempt to mitigate these risks at our Texas-based data centers and other facilities through various business continuity efforts, including: redundant infrastructure, 24 x 7 x 365 system activity monitoring, backup and recovery procedures, use of a secure off-site storage facility for backup media, separate test systems and rotation of management and system security measures, but our precautions may not protect against all potential problems. Disaster recovery procedures are in place to facilitate the recovery of our operations, products and services within the stated service level goals. Our secondary data center is equipped with physical space, power, storage and networking infrastructure and Internet connectivity to support the solutions we provide in the event of the interruption of services at our primary data center. Even with this secondary data center, however, our operations would be interrupted during the transition process should our primary data center experience a failure. Moreover, both our primary and secondary data centers are located in the greater metropolitan Dallas area. As a result, any regional disaster could affect both data centers and result in a material disruption of our services.

Problems at one or more of our data centers, whether or not within our control, could result in service disruptions or delays or loss or corruption of data or documents. This could damage our reputation, cause us to issue credits to clients, subject
We face intense competitive pressures and our failure to compete successfully could harm our operating results.

The market for many of our solutions is intensely competitive, fragmented and rapidly changing. Some of these markets have relatively low barriers to entry. With the introduction of new technologies and market entrants, we expect competition to intensify in the future. Increased competition generally could result in pricing pressures, reduced sales and reduced margins. Often we compete to sell our solutions against existing systems that our potential clients have already made significant expenditures to install.

Our competitors vary depending on our product and service. In the market for accounting software we compete with Yardi Systems, Inc. (“Yardi”), MRI Software LLC (“MRI”), Entrata, Inc., formerly Property Solutions International, Inc. (“Entrata”), AMSI Property Management (owned by Infor Global Solutions, Inc.), Intacct Corp, NetSuite Inc., Intuit Inc., Oracle Corporation, PeopleSoft and JD Edwards (each owned by Oracle Corporation), SAP AG, Microsoft Corporation, AppFolio Inc. and various smaller providers of accounting software. High costs are typically associated with switching an organization’s accounting software. In the market for property management software, we face competitive pressure from Yardi and its Voyager products, AMSI Property Management (owned by Infor Global Solutions, Inc.), Bostonpost (owned by MRI), Jenark (owned by CoreLogic), Entrata, ResMan and MRI. In the single family market, our accounting and property management systems primarily compete with Yardi, AppFolio Inc., Intuit Inc., DIY Real Estate Solutions (acquired by Yardi), Buildium, LLC, Rent Manager (owned by London Computer Systems, Inc.), and Property Boss Solutions, LLC.

In the market for vertically-integrated cloud computing for multifamily real estate owners and property managers, our only substantial competition is from Yardi. We also compete with cloud computing service providers such as Amazon.com Inc., Rackspace Hosting Inc., International Business Machines Corp. and many others.
We offer a number of software-enabled value-added services that compete with a disparate and large group of competitors. In the applicant screening market, our principal competitors are LexisNexis (a subsidiary of Reed Elsevier Group plc), CoreLogic, Inc. (formerly First Advantage Corporation, an affiliate of The First American Corporation), Entrata, TransUnion Rental Screening Solutions, Inc. (a subsidiary of TransUnion LLC), Resident Check Inc., Yardi, On-Site.com and many other smaller regional and local screening companies.

In the insurance market, our principal competitors are Assurant, Inc., Bader Company, CoreLogic, Inc., Entrata, Yardi and a number of national insurance underwriters (including GEICO Corporation, The Allstate Corporation, State Farm Fire and Casualty Company, Farmers Insurance Exchange, Nationwide Mutual Insurance Company and United Services Automobile Association) that market renter's insurance. There are many smaller screening and insurance providers in the risk mitigation area that we encounter less frequently, but they nevertheless present a competitive presence in the market.

In the client relationship management (“CRM”) market, we compete with providers of contact center and call tracking services, including LeaseHawk LLC, Yardi, Entrata, and numerous regional and local contact centers. In addition, we compete with lead tracking solution providers, including LeaseHawk LLC, Lead Tracking Solutions (acquired by Yardi), Anyone Home, Inc., and Who’s Calling, Inc. In addition, we compete with content syndication providers VaultWare (owned by MRI Software LLC) and rentbits.com, Inc. Finally, we compete with companies providing web portal services, including Apartments24-7.com, Inc., On-Site, Entrata, G5 Search Marketing, Inc., Spherexx.com and Yardi. Certain Internet listing services also offer websites for their clients, usually as a free value add to their listing service.

In the marketing and web portal services market, we compete with G5 Search Marketing, Inc., Spherexx LLC, ReachLocal, Inc., Entrata, On-Site.com, Yodle, Inc., Yardi and many local or regional advertising agencies.

In the Internet listing service market, we compete with ForRent (a division of Dominium Enterprises), Apartment Guide (a division of RentPath, Inc.), Rent.com (owned by RentPath, Inc.), RentPath, Inc., Apartments.com (a division of CoStar Group, Inc.), Apartment Finder (a division of CoStar Group, Inc.), Move, Inc., Entrata, Rent Café (a division of Yardi), Zillow and many other companies in regional areas.

In the utility billing and energy management market, we compete at a national level with American Utility Management, Inc., Conserve, LLC, Yardi (following its acquisitions of ista North America and Energy Billing Systems, Inc.), Entrata, Ocius LLC (recently acquired by PayLease) and Minol USA, L.P. Many other smaller utility billing companies compete for smaller rental properties or in regional areas.

In the revenue management market, we compete with Entrata, The Rainmaker Group, and Yardi. Certain market research companies such as CoStar Group, Inc. also offer products that present competitive pricing information in a manner that can be used as a tool to manage pricing.

In the market for multifamily housing market research, we compete with Reis, Inc., Pierce-Eislen, Inc. (owned by Yardi), CoStar Group, Inc. and Portfolio Research, Inc.

In the spend management market, we compete with Yardi, AvidXchange, Inc., Nexus Systems, Inc., Ariba, Inc., Oracle Corporation, Buyers Access LLC, and PAS Purchasing Solutions.

In the payment processing market, we compete with Chase Paymentech Solutions, LLC (a subsidiary of JPMorgan Chase & Co.), First Data Corporation, Fiserv, Inc., MoneyGram International, Inc., On-Site.com, Entrata, PayLease LLC, RentPayment.com (a subsidiary of Yapstone, Inc.), Yardi, a number of national banking institutions and those that take payments directly from tenants.

In the affordable housing compliance and audit services market, we compete with Zeffert and Associates, Inc., Preferred Compliance Solutions, Inc., Spectrum Enterprises, Inc. and many other smaller local and regional compliance and audit services.

In the vacation rental market, we compete with LiveRez, Inc., HomeAway Software, Inc., Airbnb, and many other smaller local and regional companies. We partner with some competitors to syndicate vacation rental listings to their Internet listing sites.

In addition, many of our existing or potential clients have developed or may develop their own solutions that may be competitive with our solutions. We also may face competition for potential acquisition targets from our competitors who are seeking to expand their offerings.

With respect to all of our competitors, we compete based on a number of factors, including total cost of ownership, level of integration with property management systems, ease of implementation, product functionality and scope, performance, security, scalability and reliability of service, brand and reputation, sales and marketing capabilities and financial resources. Some of our existing competitors and new market entrants may enjoy substantial competitive advantages, such as greater name recognition, longer operating histories, larger installed client bases and larger sales and marketing budgets, as well as greater financial, technical and other resources. In addition, any number of our existing competitors or new market entrants could
combine or consolidate, or obtain new financing through public or private sources, to become a more formidable competitor with greater resources. As a result of such competitive advantages, our existing and future competitors may be able to:

- develop superior products or services, gain greater market acceptance and expand their offerings more efficiently or more rapidly;
- adapt to new or emerging technologies and changes in client requirements more quickly;
- take advantage of acquisition and other opportunities more readily;
- adopt more aggressive pricing policies, such as offering discounted pricing for purchasing multiple bundled products;
- devote greater resources to the promotion of their brand and marketing and sales of their products and services; and
- devote greater resources to the research and development of their products and services.

If we are not able to compete effectively, our operating results will be harmed.

We integrate our software-enabled value-added services with competitive property management software for some of our clients. Our application infrastructure, marketed to our clients as the RealPage Cloud, is based on an open architecture that enables third-party applications to access and interface with applications hosted in the RealPage Cloud through our RealPage Exchange platform. Likewise, through this platform our RealPage Cloud services are able to access and interface with other third-party applications, including third-party property management systems. We also provide services to assist in the implementation, training, support and hosting with respect to the integration of some of our competitors’ applications with our solutions. We sometimes rely on the cooperation of our competitors to implement solutions for our clients. However, frequently our reliance on the cooperation of our competitors can result in delays in integration. There is no assurance that our competitors, even if contractually obligated to do so, will continue to cooperate with us or will not prospectively alter their obligations to do so. We also occasionally develop interfaces between our software-enabled value-added services and competitor property management software without their cooperation or consent. There is no assurance that our competitors will not alter their applications in ways that inhibit or prevent integration or assert that their intellectual property rights restrict our ability to integrate our solutions with their applications. Moreover, regardless of merit, such interface-related activity may result in costly litigation.

We face competition to attract consumers to our LeaseStar product websites and mobile applications, which could impair our ability to continue to grow the number of users who use our websites and mobile applications, which would harm our business, results of operations and financial condition.

The success of our LeaseStar product family depends on our ability to continue to attract additional consumers to our websites and mobile applications. Our existing and potential competitors include companies that could devote greater technical and other resources than we have available, have a more accelerated time frame for deployment and leverage their existing user bases and proprietary technologies to provide products and services that consumers might view as superior to our offerings. Any of our future or existing competitors may introduce different solutions that attract consumers or provide solutions similar to our own but with better branding or marketing resources. If we are unable to continue to grow the number of consumers who use our website and mobile applications, our business, results of operations and financial condition would be harmed.

We operate in a business environment in which social media integration is playing a significantly increasing role. Social media is a new and rapidly changing industry wherein the rules and regulations related to use and disclosure of personal information is unclear and evolving.

The operation and marketing of multi-tenant real estate developments is likely to become more dependent upon the use of and integration with social media platforms as communities attempt to reach their current and target clients through social applications such as Facebook, Twitter, Instagram, LinkedIn, Pinterest, Tumblr, Google+ and other current and emerging social applications. The use of these applications necessarily involves the disclosure of personal information by individuals participating in social media, and the corresponding utilization of such personal information by our products and services via integration programs and data exchanges. The regulatory framework for social media privacy and security issues is currently in flux and is likely to remain so for the foreseeable future. Practices regarding the collection, use, storage, transmission and security of personal information by companies on social media platforms have recently come under increased public scrutiny as various government agencies and consumer groups have called for new regulation and changes in industry practices. We are also subject to each social media platform’s terms and conditions for use, application development and integration, which may be modified, restricted or otherwise changed, affecting and possibly curtailing our ability to offer products and services.

These factors, many of which are beyond our control, present a high degree of uncertainty for the future of social media integration. As such, there is no assurance that our participation in social media integration will be risk free, as contractual, statutory or other legal restrictions may be created that limit or otherwise impede our participation in or leverage of social media integration.
We may be unable to compete successfully against our existing or future competitors in attracting advertisers, which could harm our business, results of operations and financial condition.

In our LeaseStar product family, we compete to attract advertisers with media sites, including websites dedicated to providing real estate listings and other rental housing related services to real estate professionals and consumers, major Internet portals, general search engines and social media sites as well as other online companies. We also compete for a share of advertisers’ overall marketing budgets with traditional media such as television, magazines, newspapers and home/apartment guide publications, particularly with respect to advertising dollars spent at the local level by real estate professionals to advertise their qualifications and listings. Large companies with significant brand recognition have large numbers of direct sales personnel and substantial proprietary advertising inventory and web traffic, which may provide a competitive advantage. To compete successfully for advertisers against future and existing competitors, we must continue to invest resources in developing our advertising platform and proving the effectiveness and relevance of our advertising products and services. Pressure from competitors seeking to acquire a greater share of our advertisers’ overall marketing budget could adversely affect our pricing and margins, lower our revenue and increase our research and development and marketing expenses. If we are unable to compete successfully against our existing or future competitors, our business, financial condition or results of operations would be harmed.

Variability in our sales and activation cycles could result in fluctuations in our quarterly results of operations and cause our stock price to decline.

The sales and activation cycles for our solutions, from initial contact with a prospective client to contract execution and activation, vary widely by client and solution. We do not recognize revenue until the solution is activated. While most of our activations follow a set of standard procedures, a client’s priorities may delay activation and our ability to recognize revenue, which could result in fluctuations in our quarterly operating results. Additionally, certain of our products are offered in suites containing multiple solutions, resulting in additional fluctuation in activations depending on each client’s priorities with respect to solutions included in the suite.

Many of our clients are price sensitive, and if market dynamics require us to change our pricing model or reduce prices, our operating results will be harmed.

Many of our existing and potential clients are price sensitive, and uncertain global economic conditions, as well as decreased leasing velocity, have contributed to increased price sensitivity in the multifamily housing market and the other markets that we serve. As market dynamics change, or as new and existing competitors introduce more competitive pricing or pricing models, we may be unable to renew our agreements with existing clients or clients of the businesses we acquire or attract new clients at the same price or based on the same pricing model as previously used. As a result, it is possible that we may be required to change our pricing model, offer price incentives or reduce our prices, which could harm our revenue, profitability and operating results.

If we do not effectively expand and train our sales force, we may be unable to add new clients or increase sales to our existing clients and our business will be harmed.

We continue to be substantially dependent on our sales force to obtain new clients and to sell additional solutions to our existing clients. We believe that there is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training and, in most cases, take significant time before they achieve full productivity. Our recent hires and planned hires may not become as productive as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. If we are unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new clients or increasing sales to our existing client base, our business will be harmed.

Material defects or errors in the software we use to deliver our solutions could harm our reputation, result in significant costs to us and impair our ability to sell our solutions.

The software applications underlying our solutions are inherently complex and may contain material defects or errors, particularly when first introduced or when new versions or enhancements are released. We have, from time to time, found defects in the software applications underlying our solutions, and new errors in our existing solutions may be detected in the future. Any errors or defects that cause performance problems or service interruptions could result in:

- a reduction in new sales or subscription renewal rates;
- unexpected sales credits or refunds to our clients, loss of clients and other potential liabilities;
- delays in client payments, increasing our collection reserve and collection cycle;
- diversion of development resources and associated costs;
to expend significant money, time and other resources to develop or obtain
on other payment processing service providers. We may encounter difficulty converting payment processing services from these service
operations and adversely affect operating results. In addition, businesses that we have acquired, or may acquire in the future, typically rely
their contracts with us or fulfill their contractual obligations and perform satisfactorily could result in significant disruptions to our
term contracts with these organizations and service providers. Accordingly, the failure of these organizations and service providers to renew
business are performed on proprietary third-party systems and software to which we have no access. We also generally do not have long-
control over the systems and processes than if we were to maintain and operate them ourselves. In some cases, functions necessary to our
process transactions. Some of these organizations and service providers are competitors who also directly or indirectly sell payment
Wells Fargo, N.A. We also rely on third-party hardware manufacturers to manufacture the check scanning hardware our clients utilize to
services and access to various reporting tools. These organizations include Bank of America Merchant Services, Bank of America, N.A.,
Corporation; Microsoft Corporation; Oracle Corporation; salesforce.com, Inc.; Amazon Web Services, a division of Amazon.com, Inc., as
well as many other smaller providers. Our OneSite Accounting service relies on a software-as-a-service, or SaaS, accounting system
developed and maintained by a third-party service provider. We host this application in our data centers and provide supplemental
development resources to extend this accounting system to meet the unique requirements of the rental housing industry. Our shared cloud
portfolio reporting service utilizes software licensed from IBM. We expect to utilize additional service providers as we expand our
platform. Although the third-party technologies and services that we currently require are commercially available, such technologies and
services may not continue to be available on commercially reasonable terms, or at all. Any loss of the right to use any of these technologies
or services could result in delays in the provisioning of our solutions until alternative technology is either developed by us, or, if available,
is identified, obtained and integrated, and such delays could harm our business. It also may be time consuming and costly to enter into new
relationships. Additionally, any errors or defects in the third-party technologies we utilize or delays or interruptions in the third-party
services we rely on could result in errors, failures or disruptions of our services, which also could harm our business.
We depend upon third-party service providers for important payment processing functions. If these third-party service providers do not
fulfill their contractual obligations or choose to discontinue their services, our business and operations could be disrupted and our
operating results would be harmed.

We rely on several large payment processing organizations to enable us to provide payment processing services to our clients,
including electronic funds transfers, or EFT, check services, bank card authorization, data capture, settlement and merchant accounting
services and access to various reporting tools. These organizations include Bank of America Merchant Services, Bank of America, N.A.,
Wells Fargo, N.A. We also rely on third-party hardware manufacturers to manufacture the check scanning hardware our clients utilize to
process transactions. Some of these organizations and service providers are competitors who also directly or indirectly sell payment
processing services to clients in competition with us. With respect to these organizations and service providers, we have significantly less
control over the systems and processes than if we were to maintain and operate them ourselves. In some cases, functions necessary to our
business are performed on proprietary third-party systems and software to which we have no access. We also generally do not have long-
term contracts with these organizations and service providers. Accordingly, the failure of these organizations and service providers to renew
their contracts with us or fulfill their contractual obligations and perform satisfactorily could result in significant disruptions to our
operations and adversely affect operating results. In addition, businesses that we have acquired, or may acquire in the future, typically rely
on other payment processing service providers. We may encounter difficulty converting payment processing services from these service
providers to our payment processing platform. If we are required to find an alternative source for performing these functions, we may have
to expend significant money, time and other resources to develop or obtain
an alternative, and if developing or obtaining an alternative is not accomplished in a timely manner and without significant disruption to our business, we may be unable to fulfill our responsibilities to clients or meet their expectations, with the attendant potential for liability claims, damage to our reputation, loss of ability to attract or maintain clients and reduction of our revenue or profits.

We face a number of risks in our payment processing business that could result in a reduction in our revenues and profits.

In connection with our electronic payment processing services, we process renter payments and subsequently submit these renter payments to our clients after varying clearing times established by RealPage. These payments are settled through our sponsoring clearing banks, and in the case of EFT, our Originating Depository Financial Institutions, or ODFIs. Currently, we rely on Bank of America, N.A., Wells Fargo, N.A. and JPMorgan Chase Bank, N.A. as our sponsoring clearing banks. In the future, we expect to enter into similar sponsoring clearing bank relationships with one or more other national banking institutions. The renter payments that we process for our clients at our sponsoring clearing banks are identified in our consolidated balance sheets as restricted cash and the corresponding liability for these renter payments is identified as client deposits. Our electronic payment processing business and related maintenance of custodial accounts subjects us to a number of risks, including, but not limited to:

- liability for client costs related to disputed or fraudulent transactions if those costs exceed the amount of the client reserves we have during the clearing period or after renter payments have been settled to our clients;
- electronic processing limits on the amount of custodial balances that any single ODFI, or collectively all of our ODFIs, will underwrite;
- reliance on clearing bank sponsors, card payment processors and other service payment provider partners to process electronic transactions;
- failure by us or our bank sponsors to adhere to applicable laws and regulatory requirements or the standards of the electronic payments rules and regulations and other rules and regulations that may impact the provision of electronic payment services;
- continually evolving and developing laws and regulations governing payment processing and money transmission, the application or interpretation of which is not clear in some jurisdictions;
- incidences of fraud, a security breach or our failure to comply with required external audit standards; and
- our inability to increase our fees at times when electronic payment partners or associations increase their transaction processing fees.

If any of these risks related to our electronic payment processing business were to materialize, our business or financial results could be negatively affected. Although we attempt to structure and adapt our payment processing operations to comply with these complex and evolving laws and regulations, our efforts may not guarantee compliance. In the event that we are found to be in violation of these legal requirements, we may be subject to monetary fines, cease and desist orders, mandatory product changes, or other penalties that could have an adverse effect on our results of operations. In the event that we are found to be in violation of these legal requirements, we may be subject to monetary fines, cease and desist orders, mandatory product changes, or other penalties that could have an adverse effect on our results of operations. Additionally, with respect to the processing of EFTs, we are exposed to financial risk and EFTs between a renter and our client may be returned for various reasons such as insufficient funds or stop payment orders. These returns are charged back to the client by us. However, if we or our sponsoring clearing banks are unable to collect such amounts from the client’s account or if the client refuses or is unable to reimburse us for the chargeback, we bear the risk of loss for the amount of the transfer. While we have not experienced material losses resulting from chargebacks in the past, there can be no assurance that we will not experience significant losses from chargebacks in the future. Any increase in chargebacks not paid by our clients may adversely affect our financial condition and results of operations.

We entered into a Service Provider Agreement with Wells Fargo Merchant Services, LLC and Wells Fargo Bank, NA (“Wells Fargo”), effective January 1, 2014. Under the Service Provider Agreement, RealPage, Inc. is a registered independent sales organization, or ISO, of Wells Fargo. Wells Fargo acts as a merchant acquiring bank for processing RealPage client credit card and debit card payments (“Card Payments”), and RealPage serves as an ISO. As an ISO, RealPage assumes the underwriting risk for processing Card Payments on behalf of its clients. If RealPage experiences excessive chargebacks, either RealPage or Wells Fargo has the authority to cease client card processing services, and such events could result in a material adverse effect on our revenues, operating income, and reputation.
Evolution and expansion of our payment processing business may subject us to additional regulatory requirements and other risks, for which failure to comply or adapt could harm our operating results.

The evolution and expansion of our payment processing business may subject us to additional risks and regulatory requirements, including laws governing money transmission and payment processing/settlement services. These requirements vary throughout the markets in which we operate, and have increased over time as the geographic scope and complexity of our product services have expanded. While we maintain a compliance program focused on applicable laws and regulations throughout the payments industry, there is no guarantee that we will not be subject to fines, criminal and civil lawsuits or other regulatory enforcement actions in one or more jurisdictions, or be required to adjust business practices to accommodate future regulatory requirements.

In order to maintain flexibility in the growth and expansion of our payments operations, we have obtained money transmitter licenses (or their equivalents) in several states, the District of Columbia and Puerto Rico and expect to continue the license application process in additional jurisdictions throughout the United States as needed to accommodate new product development. Our efforts to acquire and maintain these licenses could result in significant management time, effort, and cost, and may still not guarantee compliance given the constant state of change in these regulatory frameworks. Accordingly, costs associated with changes in compliance requirements, regulatory audits, enforcement actions, reputational harm, or other regulatory limits on our ability to grow our payment processing business could adversely affect our financial results.

If our security measures are breached and unauthorized access is obtained to our software platform and infrastructure, or our clients’ or their renters’ or prospects’ data, we may incur significant liabilities, third parties may misappropriate our intellectual property, our solutions may be perceived as not being secure and clients may curtail or stop using our solutions.

Maintaining the security of our software platform and service infrastructure is of paramount importance to us and our clients, and we devote significant resources to this effort. Breaches of the security measures we take to protect our software platform and service infrastructure and our and our clients’ confidential or proprietary information that is stored on and transmitted through those systems could disrupt and compromise the security of our internal systems and on demand applications, impair our ability to provide products and services to our clients and protect the privacy of their data, compromise our confidential or technical business information harming our competitive position, result in theft or misuse of our intellectual property or otherwise adversely affect our business.

The solutions we provide involve the collection, storage and transmission of confidential personal and proprietary information regarding our clients and our clients’ current and prospective renters and business partners. Specifically, we collect, store and transmit a variety of client data such as demographic information and payment histories of our clients’ prospective and current renters and business partners. Additionally, we collect and transmit sensitive financial data such as credit card and bank account information. Treatment of certain types of data, such as personally identifiable information, protected health information and sensitive financial data may be subject to federal or state regulations requiring heightened privacy and security. If our data security or data integrity measures are breached or otherwise fail or prove to be inadequate for any reason, as a result of third-party actions or our employees’ or contractors’ errors or malfeasance or otherwise, and unauthorized persons obtain access to this information, or the data is otherwise compromised, we could incur significant liability to our clients and to their prospective or current renters or business partners, significant costs associated with internal regulatory investigations and litigation, or significant fines and sanctions by payment processing networks or governmental authorities. Any of these events or circumstances could result in damage to our reputation and material harm to our business.

We also rely upon our clients as users of our system to promote security of the system and the data within it, such as administration of client-side access credentialing and control of client-side display of data. On occasion, our clients have failed to perform these activities in such a manner as to prevent unauthorized access to data. To date, these breaches have not resulted in claims against us or in material harm to our business, but we cannot be certain that the failure of our clients in future periods to perform these activities will not result in claims against us, which could expose us to potential litigation, damage to our reputation and material harm to our business.

There can be no certainty that the measures we have taken to protect our software platform and service infrastructure, our confidential and proprietary information and the privacy and integrity of our clients’, their current or prospective renters’ and business partners’ data are adequate to prevent or remedy unauthorized access to our system. Because techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures. Experienced computer programers seeking to intrude or cause harm, or hackers, may attempt to penetrate our service infrastructure from time to time. Hackers may consist of sophisticated organizations, competitors, governments or individuals who launch targeted attacks to gain unauthorized access to our systems. A hacker who is able to penetrate our service infrastructure could misappropriate proprietary or confidential information or cause interruptions in our services. We might be required to expend significant capital and resources to protect against, or to remedy, problems caused by hackers, and we may not have a timely remedy against a hacker who is able to penetrate our service infrastructure. In addition to purposeful breaches, inadvertent actions or the transmission of computer viruses could expose us to security risks. If an actual or perceived breach of our security occurs or
if our clients and potential clients perceive vulnerabilities, the market perception of the effectiveness of our security measures could be harmed, we could lose sales and clients and our business could be materially harmed. 

If we are unable to cost-effectively scale or adapt our existing architecture to accommodate increased traffic, technological advances or changing client requirements, our operating results could be harmed.

As we continue to increase our client base and the number of products used by our clients to manage units, the number of users accessing our on demand software solutions over the Internet will continue to increase. Increased traffic could result in slow access speeds and response times. Since our client agreements typically include service availability commitments, slow speeds or our failure to accommodate increased traffic could result in breaches of our client agreements. In addition, the market for our solutions is characterized by rapid technological advances and changes in client requirements. In order to accommodate increased traffic and respond to technological advances and evolving client requirements, we expect that we will be required to make future investments in our network architecture. If we do not implement future upgrades to our network architecture cost-effectively, or if we experience prolonged delays or unforeseen difficulties in connection with upgrading our network architecture, our service quality may suffer and our operating results could be harmed.

Because certain solutions we provide depend on access to client data, decreased access to this data or the failure to comply with the evolving laws and regulations governing privacy of data, cloud computing and cross-border data transfers, or the failure to address privacy concerns applicable to such data, could harm our business.

Certain of our solutions depend on our continued access to our clients’ data regarding their prospective and current renters, including data compiled by other third-party service providers who collect and store data on behalf of our clients. Federal, state and foreign governments have adopted and continue to adopt new laws and regulations addressing data privacy and the collection, processing, storage, transmission, use and disclosure of personal information. Such laws and regulations are subject to differing interpretations and may be inconsistent among jurisdictions. These and other requirements could reduce demand for our solutions or restrict our ability to store and process data or, in some cases, impact our ability to offer our services and solutions in certain locations.

In addition to government activity, privacy advocacy and other industry groups have established or may establish new self-regulatory standards that may place additional burdens on us. Our clients may expect us to meet voluntary certification or other standards established by third parties. If we are unable to maintain these certifications or meet these standards, it could adversely affect our ability to provide our solutions to certain clients and could harm our business.

Any restrictions on the use of or decrease in the availability of data from our clients, or other third parties that collect and store such data on behalf of our clients, and the costs of compliance with, and other burdens imposed by, applicable legislative and regulatory initiatives may limit our ability to collect, aggregate or use this data. Any limitations on our ability to collect, aggregate or use such data could reduce demand for certain of our solutions. Additionally, any inability to adequately address privacy concerns, even if unfounded, or comply with applicable privacy laws, regulations and policies, could result in liability to us or damage to our reputation and could inhibit sales and market acceptance of our solutions and harm our business.

The market for on demand software solutions in the rental housing industry continues to develop, and if it does not develop further or develops more slowly than we expect, our business will be harmed.

The market for on demand SaaS software solutions in the rental housing industry delivered via the Internet through a web browser is rapidly growing but still relatively immature compared to the market for traditional on premise software installed on a client’s local personal computer or server. It is uncertain whether the on demand delivery model will achieve and sustain high levels of demand and market acceptance, making our business and future prospects difficult to evaluate and predict. While our existing client base has widely accepted this new model, our future success will depend, to a large extent, on the willingness of our potential clients to choose on demand software solutions for business processes that they view as critical. Many of our potential clients have invested substantial effort and financial resources to integrate traditional enterprise software into their businesses and may be reluctant or unwilling to switch to on demand software solutions. Some businesses may be reluctant or unwilling to use on demand software solutions because they have concerns regarding the risks associated with security capabilities, reliability and availability, among other things, of the on demand delivery model. If potential clients do not consider on demand software solutions to be beneficial, then the market for these solutions may not further develop, or it may develop more slowly than we expect, either of which would adversely affect our operating results.

If use of the Internet and mobile technology, particularly with respect to online rental housing products and services, does not continue to increase as rapidly as we anticipate, our business could be harmed.

Our future success is substantially dependent on the continued use of the Internet and mobile technology as effective media of business and communication by our clients and consumers. Internet and mobile technology use may not continue to develop at historical rates, and consumers may not continue to use the Internet or mobile technology as media for information exchange or we may not keep up with the latest technology. Further, these media may not be accepted as viable long-term outlets for rental housing information for a number of reasons, including actual or perceived lack of security of information and

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possible disruptions of service or connectivity. If consumers begin to access rental housing information through other media and we fail to innovate, our business may be negatively impacted.

**Economic trends that affect the rental housing market may have a negative effect on our business.**

Our clients include a range of organizations whose success is intrinsically linked to the rental housing market. Economic trends that negatively or positively affect the rental housing market may adversely affect our business. Instability or downturns affecting the rental housing market may have a material adverse effect on our business, prospects, financial condition and results of operations by:

- decreasing demand for leasing and marketing solutions;
- reducing the number of occupied sites and units on which we earn revenue;
- preventing our clients from expanding their businesses and managing new properties;
- causing our clients to reduce spending on our solutions;
- subjecting us to increased pricing pressure in order to add new clients and retain existing clients;
- causing our clients to switch to lower-priced solutions provided by our competitors or internally developed solutions;
- delaying or preventing our collection of outstanding accounts receivable; and
- causing payment processing losses related to an increase in client insolvency.

In addition, economic trends that reduce the frequency of renter turnover or the quantity of new renters may reduce the number of rental transactions completed by our clients and may, as a result, reduce demand for our rental, leasing or marketing transaction specific services.

**If clients and other advertisers reduce or end their advertising spending on our LeaseStar products and we are unable to attract new advertisers, our business would be harmed.**

Some components of our LeaseStar product family depend on advertising generated through sales to real estate agents and brokerages, property owners and other advertisers relevant to rental housing. Our ability to attract and retain advertisers, and ultimately to generate advertising revenue, depends on a number of factors, including:

- increasing the number of consumers of our LeaseStar products and services;
- demonstrating lead generation value to our LeaseStar clients;
- competing effectively for advertising dollars with other online media companies;
- continuing to develop our advertising products and services;
- keeping pace with changes in technology and with our competitors; and
- offering an attractive return on investment to our advertiser clients for their advertising spending with us.

**Reductions in lead generation could have a negative effect on our operating results.**

We could face reductions in leads generated for our clients if third-party originators of such leads were to elect to suspend sending leads to us or our sources for such leads were reduced. Reductions in leads generated could reduce the value of our lead generation services, make it difficult for us to add new lead generation services clients, retain existing lead generation services clients and maintain or increase sales levels to our existing lead generation services clients and could adversely affect our operating results.

**We may require additional capital to support business growth, and this capital might not be available.**

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges or opportunities, including the need to develop new solutions or enhance our existing solutions, enhance our operating infrastructure or acquire businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. We have recently amended our Credit Facility and increased our borrowing capacity. Debt financing secured by us in the future could involve additional restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges or opportunities could be significantly limited.
Our debt obligations contain restrictions that impact our business and expose us to risks that could adversely affect our liquidity and financial condition.

All of our obligations under the Credit Facility are secured by substantially all of our assets. All of our existing and future domestic subsidiaries are required to guarantee our obligations under the Credit Facility, other than certain immaterial subsidiaries, foreign subsidiary holding companies and our payment processing subsidiaries. Such guarantees by existing and future domestic subsidiaries are and will be secured by substantially all of the assets of such subsidiaries.

Our Credit Facility contains customary covenants, subject in each case to customary exceptions and qualifications, which limit our and certain of our subsidiaries’ ability to, among other things:

- incur additional indebtedness or guarantee indebtedness of others;
- create liens on our assets;
- enter into mergers or consolidations;
- dispose of assets;
- prepay certain indebtedness;
- make changes to our governing documents and certain of our agreements;
- pay dividends and make other distributions on our capital stock, and redeem and repurchase our capital stock;
- make investments, including acquisitions; and
- enter into transactions with affiliates.

Our Credit Facility also contains, subject in each case to customary exceptions and qualifications, customary affirmative covenants. We are also required to comply with a maximum consolidated net leverage ratio, a maximum consolidated secured net leverage ratio, and a minimum consolidated interest coverage ratio. See additional discussion of these requirements in Note 6 of the Notes to the Condensed Consolidated Financial Statements under Item 1 and in “Contractual Obligations, Commitments, and Contingencies” in Management’s Discussion and Analysis of Financial Condition and Results of Operations under Item 2 of this Quarterly Report on Form 10-Q. As of March 31, 2017, we were in compliance with all of the covenants under our Credit Facility.

The Credit Facility contains customary events of default, subject to customary cure periods for certain defaults, that include, among others, non-payment defaults, covenant defaults, material judgment defaults, bankruptcy and insolvency defaults, cross-defaults to certain other material indebtedness, ERISA defaults, inaccuracy of representations and warranties and a change in control default.

If we experience a decline in cash flow due to any of the factors described in this “Risk Factors” section or otherwise, we could have difficulty paying interest and principal amounts due on our indebtedness and meeting the financial covenants set forth in our Credit Facility. If we are unable to generate sufficient cash flow or otherwise obtain the funds necessary to make required payments under our Credit Facility, or if we fail to comply with the requirements of our indebtedness, we could default under our Credit Facility. Any default that is not cured or waived could result in the termination of the revolving commitments, the acceleration of the obligations under the Credit Facility, an increase in the applicable interest rate under the Credit Facility and a requirement that our subsidiaries that have guaranteed the Credit Facility pay the obligations in full, and would permit our lender to exercise remedies with respect to all of the collateral that is securing the Credit Facility, including substantially all of our and our subsidiary guarantors’ assets. Any such default could have a material adverse effect on our liquidity and financial condition.

Even if we comply with all of the applicable covenants, the restrictions on the conduct of our business could adversely affect our business by, among other things, limiting our ability to take advantage of financings, mergers, acquisitions and other corporate opportunities that may be beneficial to the business. Even if the Credit Facility was terminated, additional debt we could incur in the future may subject us to similar or additional covenants.

Assertions by a third party that we infringe its intellectual property, whether successful or not, could subject us to costly and time-consuming litigation or expensive licenses.

The software and technology industries are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by frequent litigation based on allegations of infringement, misappropriation, misuse and other violations of intellectual property rights. We have received in the past, and may receive in the future, communications from third parties claiming that we have infringed or otherwise misappropriated the intellectual property rights or terms of use of others. Our technologies may not be able to withstand any third-party claims against their use. Since we currently have no patents, we may not use patent infringement as a defensive strategy in such litigation. Additionally, although we have licensed from other parties proprietary technology covered by patents, we cannot be certain that any such patents will not be challenged.
invalidated or circumvented. If such patents are invalidated or circumvented, this may allow existing and potential competitors to develop products and services that are competitive with, or superior to, our solutions.

Many of our client agreements require us to indemnify our clients for certain third-party claims, such as intellectual property infringement claims, which could increase our costs of defending such claims and may require that we pay damages if there were an adverse ruling or settlement related to any such claims. These types of claims could harm our relationships with our clients, may deter future clients from purchasing our solutions or could expose us to litigation for these claims. Even if we are not a party to any litigation between a client and a third party, an adverse outcome in any such litigation could make it more difficult for us to defend our intellectual property in any subsequent litigation in which we are a named party.

Litigation could force us to stop selling, incorporating or using our solutions that include the challenged intellectual property or redesign those solutions that use the technology. In addition, we may have to pay damages if we are found to be in violation of a third party’s rights. We may have to procure a license for the technology, which may not be available on reasonable terms, if at all, may significantly increase our operating expenses or may require us to restrict our business activities in one or more respects. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense. There is no assurance that we would be able to develop alternative solutions or, if alternative solutions were developed, that they would perform as required or be accepted in the relevant markets. In some instances, if we are unable to offer non-infringing technology, or obtain a license for such technology, we may be required to refund some or the entire license fee paid for the infringing technology by our clients.

Our exposure to risks associated with the use of intellectual property may be increased as a result of acquisitions, as we have a lower level of visibility into the development process with respect to acquired technology or the care taken to safeguard against infringement risks. Such risks include, without limitation, patent infringement risks, copyright infringement risks, risks arising from the inclusion of open source software that is subject to onerous license provisions that could even require disclosure of our proprietary source code, or violations of terms of use for third party solutions that our acquisition targets use. Third parties may make infringement and similar or related claims after we have acquired technology that had not been asserted prior to our acquisition.

Any failure to protect and successfully enforce our intellectual property rights could compromise our proprietary technology and impair our brands.

Our success depends significantly on our ability to protect our proprietary rights to the technologies we use in our solutions. If we are unable to protect our proprietary rights adequately, our competitors could use the intellectual property we have developed to enhance their own products and services, which could harm our business. We rely on a combination of copyright, service mark, trademark and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights, all of which provide only limited protection. We currently have no issued patents and no significant pending patent applications, and we may be unable to obtain patent protection in the future. In addition, if any patents are issued in the future, they may not provide us with any competitive advantages, may not be issued in a manner that gives us the protection that we seek and may be successfully challenged by third parties. Unauthorized parties may attempt to copy or otherwise obtain and use the technologies underlying our solutions. Monitoring unauthorized use of our technologies is difficult, and we do not know whether the steps we have taken will prevent unauthorized use of our technology. If we are unable to protect our proprietary rights, we may find ourselves at a competitive disadvantage to others who have not incurred the substantial expense, time and effort required to create similar innovative products.

We cannot assure you that any future service mark or trademark registrations will be issued for pending or future applications or that any registered service marks or trademarks will be enforceable or provide adequate protection of our proprietary rights. If we are unable to secure new marks, maintain already existing marks and enforce the rights to use such marks against unauthorized third-party use, our ability to brand, identify and promote our solutions in the marketplace could be impaired, which could harm our business.

We customarily enter into agreements with our employees, contractors and certain parties with whom we do business to limit access to, use of, and disclosure of our confidential and proprietary information. The legal and technical steps we have taken, however, may not prevent unauthorized use or the reverse engineering of our technology. Moreover, we may be required to release the source code of our software to third parties under certain circumstances. For example, some of our client agreements provide that if we cease to maintain or support a certain solution without replacing it with a successor solution, then we may be required to release the source code of the software underlying such solution. In addition, others may independently develop technologies that are competitive to ours or infringe our intellectual property. Moreover, it may be difficult or practically impossible to detect copyright infringement or theft of our software code. Enforcement of our intellectual property rights also depends on our legal actions being successful against these infringers, but these actions may not be successful, even when our rights have been infringed. Furthermore, the legal standards relating to the validity, enforceability and scope of protection of intellectual property rights in Internet-related industries are uncertain and still evolving.
Additionally, as we sell our solutions internationally, effective patent, trademark, service mark, copyright and trade secret protection may not be available or as robust in every country in which our solutions are available. As a result, we may not be able to effectively prevent competitors outside the United States from infringing or otherwise misappropriating our intellectual property rights, which could reduce our competitive advantage and ability to compete or otherwise harm our business.

**We may be unable to halt the operations of websites that aggregate or misappropriate data from our websites.**

From time to time, third parties have misappropriated data from our websites through website scraping, software robots or other means and aggregated this data on their websites with data from other companies. In addition, copycat websites have misappropriated data on our network and attempted to imitate our brand or the functionality of our website. When we have become aware of such websites, we have employed technological or legal measures in an attempt to halt their operations. However, we may be unable to detect all such websites in a timely manner and, even if we could, technological and legal measures may be insufficient to halt their operations. In some cases, particularly in the case of websites operating outside of the United States, our available remedies may not be adequate to protect us against the impact of the operation of such websites. Regardless of whether we can successfully enforce our rights against the operators of these websites, any measures that we may take could require us to expend significant financial or other resources, which could harm our business, results of operations or financial condition. In addition, to the extent that such activity creates confusion among consumers or advertisers, our brand and business could be harmed.

**Legal proceedings against us could be costly and time consuming to defend.**

We are from time to time subject to legal proceedings and claims that arise in the ordinary course of business, including claims brought by our clients or vendors in connection with commercial disputes, claims brought by our clients’ current or prospective renters, including class action lawsuits based on asserted statutory or regulatory violations, employment-based claims made by our current or former employees, administrative agencies, government regulators, or insurers.

In March 2015, we were named in a purported class action lawsuit in the United States District Court for the Eastern District of Pennsylvania, styled *Stokes v. RealPage, Inc.*, Case No. 2:15-cv-01520. The claims in this purported class action relate to alleged violations of the Fair Credit Reporting Act ("FCRA") in connection with background screens of prospective tenants of our clients. On January 25, 2016, the court entered an order placing the case on hold until the United States Supreme Court issued its decision in *Spokeo, Inc. v. Robins*, which case addressed issues related to standing to bring claims related to the FCRA. On May 16, 2016, the U.S. Supreme Court issued its opinion in the *Spokeo* litigation, vacating the decision of the United States Court of Appeals for the Ninth Circuit, and remanding the case for further consideration by the U.S. Court of Appeals. Following the Supreme Court’s decision in *Spokeo*, the judge in the *Stokes* case lifted the stay. On June 24, 2016, we filed a motion to dismiss certain claims made in the case based upon the *Spokeo* decision. On October 19, 2016, the U.S. District Court denied the motion to dismiss. We intend to defend this case vigorously.

In November 2014, the Company was named in a purported class action lawsuit in the United States District Court for the Eastern District of Virginia, styled *Jenkins v. RealPage, Inc.*, Case No. 3:14cv758. The claims in this purported class action relate to alleged violations of the FCRA in connection with background screens of prospective tenants of our clients. This case has since been transferred to the United States District Court for the Eastern District of Pennsylvania. On January 25, 2016, the court entered an order placing the case on hold until the United States Supreme Court issued its decision in the *Spokeo* case. Following the Supreme Court’s decision in *Spokeo*, the judge in the *Jenkins* case lifted the stay. On June 24, 2016, we filed a motion to dismiss certain claims made in the case based upon the *Spokeo* decision. On October 19, 2016, the U.S. District Court denied the motion to dismiss. We intend to defend this case vigorously.

Litigation, enforcement actions and other legal proceedings, regardless of their outcome, may result in substantial costs and may divert management’s attention and our resources, which may harm our business, overall financial condition and operating results. In addition, legal claims that have not yet been asserted against us may be asserted in the future. Although we maintain insurance, there is no guarantee that such insurance will be available or sufficient to cover any such legal proceedings or claims. For example, insurance may not cover such legal proceedings or claims or the insurer may withhold or dispute coverage of such legal proceedings or claims on various grounds, including by alleging such coverage is beyond the scope of such policies, that we are not in compliance with the terms of such insurance policies or that such policies are not in effect, even after proceeds under such insurance policies have been received by us. In addition, insurance may not be sufficient for one or more such legal proceedings or claims and may not continue to be available on terms acceptable to us, or at all. A legal proceeding or claim brought against us that is uninsured or under-insured could result in unanticipated costs, thereby harming our operating results.

*We could be sued for contract, warranty or product liability claims, and such lawsuits may disrupt our business, divert management's attention and our financial resources or have an adverse effect on our financial results.*

We provide warranties to clients of certain of our solutions and services relating primarily to product functionality, network uptime, critical infrastructure availability and hardware replacement. General errors, defects, inaccuracies or other performance problems in the software applications underlying our solutions or inaccuracies in or loss of the data we provide to
our clients could result in financial or other damages to our clients. Additionally, errors associated with any delivery of our services, including utility billing, could result in financial or other damages to our clients. There can be no assurance that any warranty disclaimers, general disclaimers, waivers or limitations of liability set forth in our contracts would be enforceable or would otherwise protect us from liability for damages. We maintain general liability insurance coverage, including coverage for errors and omissions, in amounts and under terms that we believe are appropriate. There can be no assurance that this coverage will continue to be available on terms acceptable to us, or at all, or in sufficient amounts to cover one or more large product liability claims, or that the insurer will not deny coverage for any future claim or dispute coverage of such legal proceedings or claims even after proceeds under such insurance policies have been received by us. The successful assertion of one or more large product liability claims against us that exceeds available insurance coverage, could have a material adverse effect on our business, prospects, financial condition and results of operations.

If we fail to develop our brands in a cost-effective manner, our financial condition and operating results could be harmed.

We market our solutions under discrete brand names. We believe that developing and maintaining awareness of our brands is critical to achieving widespread acceptance of our existing and future solutions and is an important element in attracting new clients and retaining our existing clients. Additionally, we believe that developing these brands in a cost-effective manner is critical in meeting our expected margins. In the past, our efforts to build our brands have involved significant expenses and we intend to continue to make expenditures on brand promotion. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incurred in building our brands. If we fail to build and maintain our brands in a cost-effective manner, we may fail to attract new clients or retain our existing clients, and our financial condition and results of operations could be harmed.

If we fail to maintain proper and effective internal controls, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, our ability to operate our business and investors' views of us.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with United States generally accepted accounting principles. We are required to comply with Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, which requires annual management assessment of the effectiveness of our internal control over financial reporting and a report by our independent auditors. If we fail to maintain proper and effective internal controls, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, harm our ability to operate our business and reduce the trading price of our stock.

Changes in, or errors in our interpretations and applications of, financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect our reported results of operations.

A change in accounting standards or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. New accounting pronouncements and varying interpretations of accounting pronouncements have occurred and may occur in the future. Changes to existing rules or the questioning of current practices or errors in our interpretations and applications of financial accounting standards or practices may adversely affect our reported financial results or the way in which we conduct our business.

We have incurred, and will incur, increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could harm our operating results.

As a public company, we have incurred, and will incur, significant legal, accounting, investor relations and other expenses, including costs associated with public company reporting requirements. We also have incurred and will incur costs associated with current corporate governance requirements, including requirements under Section 404 and other provisions of the Sarbanes-Oxley Act, as well as rules implemented by the Securities Exchange Commission and The NASDAQ Stock Market LLC. We expect these rules and regulations to continue to affect our legal and financial compliance costs and to make some activities more time-consuming and costly. As a public company, it is more expensive for us to obtain director and officer liability insurance and it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers.

The rental housing industry, electronic commerce and many of the products and services that we offer, including background screening services, utility billing, affordable housing compliance and audit services, insurance and payments are subject to extensive and evolving governmental regulation. Changes in regulations or our failure to comply with regulations could harm our operating results.

The rental housing industry is subject to extensive and complex federal, state and local laws and regulations. Our services and solutions must work within the extensive and evolving legal and regulatory requirements applicable to our clients and third-party service providers, including, but not limited to, those under the Fair Credit Reporting Act, the Fair Housing Act, the
Deceptive Trade Practices Act, the Drivers Privacy Protection Act, the Gramm-Leach-Bliley Act, the Fair and Accurate Credit Transactions Act, the United States Tax Reform Act of 1986 (TRA86), which is an IRS law governing tax credits, the Privacy Rules, Safeguards Rule and Consumer Report Information Disposal Rule promulgated by the Federal Trade Commission, or FTC, the FTC’s Telemarketing Sales Rule, the Telephone Consumer Protection Act (TCPA), the CAN-SPAM Act, the Electronic Communications Privacy Act, the regulations of the United States Department of Housing and Urban Development, or HUD, HIPAA/HITECH, rules and regulations of the Consumer Financial Protection Bureau (CFPB) and complex and divergent state and local laws and regulations related to data privacy and security, credit and consumer reporting, deceptive trade practices, discrimination in housing, telemarketing, electronic communications, call recording, utility billing and energy and gas consumption. These regulations are complex, change frequently and may become more stringent over time. Although we attempt to structure and adapt our solutions and service offerings to comply with these complex and evolving laws and regulations, we may be found to be in violation. If we are found to be in violation of any applicable laws or regulations, we could be subject to administrative and other enforcement actions as well as class action lawsuits or demands for client reimbursement. Additionally, many applicable laws and regulations provide for penalties or assessments on a per occurrence basis. Due to the nature of our business, the type of services we provide and the large number of transactions processed by our solutions, our potential liability in an enforcement action or class action lawsuit could be significant. In addition, entities such as HUD, the FTC and the CFPB have the authority to promulgate rules and regulations that may impact our clients and our business. On February 23, 2015, we received from the FTC a Civil Investigative Demand consisting of interrogatories and a request to produce documents relating to our compliance with the Fair Credit Reporting Act. We have responded to the request. At this time, we do not know the scope of the investigation and we do not have sufficient information to evaluate the likelihood or merits of any potential enforcement action, or to predict the outcome or costs of responding to, or the costs, if any, of resolving this investigation.

We believe increased regulation is likely in the area of data privacy, and laws and regulations applying to the solicitation, collection, processing or use of personally identifiable information or consumer information could affect our clients’ ability to use and share data, potentially reducing demand for our on demand software solutions. In October 2015, the European Court of Justice invalidated the U.S.-EU Safe Harbor framework, which had been the primary compliance mechanism for establishing data transfers outside of the European Economic Area in accordance with the European Union’s Data Protection Directive 95-46 EC. While alternative compliance options exist, the long-term viability of the overall compliance framework remains in question, which could result in increased regulation, cost of compliance and limitations on data transfers for both our clients and the Company. Some of our LeaseStar products operate under the real estate brokerage laws of numerous states and require maintaining licenses in many of these states. Brokerage laws in these states could change, affecting our ability to provide some LeaseStar, or if applicable, other products in these states.

We deliver our on demand software solutions over the Internet and sell and market certain of our solutions over the Internet. As Internet commerce continues to evolve, increasing regulation by federal, state or foreign agencies becomes more likely. Taxation of products or services provided over the Internet or other charges imposed by government agencies or by private organizations for accessing the Internet may also be imposed. Any regulation imposing greater fees for Internet use or restricting information exchange over the Internet could result in a decline in the use of the Internet and the viability of on demand software solutions, which could harm our business and operating results. **Our business is subject to the risks of international operations.**

Compliance with complex foreign and U.S. laws and regulations that apply to our international operations increases our cost of doing business. These numerous and sometimes conflicting laws and regulations include internal control and disclosure rules, data privacy and filtering requirements, anti-corruption laws, such as the Foreign Corrupt Practices Act, and other local laws prohibiting corrupt payments to governmental officials, and antitrust and competition regulations, among others. Violations of these laws and regulations could result in fines and penalties, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business and on our ability to carry on operations in one or more countries, and could also materially affect our brand, our international expansion efforts, our ability to attract and retain employees, our business and our operating results. Although we have implemented policies and procedures designed to ensure compliance with these laws and regulations, there can be no assurance that our employees, contractors, or agents will not violate our policies.

In addition, we are subject to a variety of risks inherent in doing business internationally, including:

- political, social, economic or environmental instability, terrorist attacks and security concerns in general;
- limitations of local infrastructure;
- fluctuations in currency exchange rates;
- higher levels of credit risk and payment fraud;
- reduced protection for intellectual property rights in some countries;
Our LeasingDesk insurance business is subject to governmental regulation which could reduce our profitability or limit our growth.

Through our wholly owned subsidiary, Multifamily Internet Ventures LLC, we hold insurance agent licenses from a number of individual state departments of insurance and are subject to state governmental regulation and supervision in connection with the operation of our LeasingDesk insurance business. In addition, Multifamily Internet Ventures LLC has appointed numerous sub-producing agents to generate insurance business for its eRenterPlan product. These sub-producing agents primarily consist of property owners and managers who market the eRenterPlan to tenants. The sub-producing agents are subject to the same state regulation and supervision, and Multifamily Internet Ventures LLC cannot ensure that these sub-producing agents will not violate these regulations, and thus expose the LeasingDesk business to sanctions by these state departments of insurance for any such violations. Furthermore, state insurance departments conduct periodic examinations, audits and investigations of the affairs of insurance agents. This state governmental supervision could reduce our profitability or limit the growth of our LeasingDesk insurance business by increasing the costs of regulatory compliance, limiting or restricting the solutions we provide or the methods by which we provide them or subjecting us to the possibility of regulatory actions or proceedings. Our continued ability to maintain these insurance agent licenses in the jurisdictions in which we are licensed depends on our compliance with the rules and regulations promulgated from time to time by the regulatory authorities in each of these jurisdictions.

In all jurisdictions, the applicable laws and regulations are subject to amendment or interpretation by regulatory authorities. Generally, such authorities are vested with relatively broad discretion to grant, renew and revoke licenses and approvals and to implement regulations, as well as regulate rates that may be charged for premiums on policies. Accordingly, we may be precluded or temporarily suspended from carrying on some or all of the activities of our LeasingDesk insurance business or fined or penalized in a given jurisdiction. No assurances can be given that our LeasingDesk insurance business can continue to be conducted in any given jurisdiction as it has been conducted in the past.

Multifamily Internet Ventures LLC is required to maintain a 50-state general agency insurance license as well as individual insurance licenses for each sales agent involved in the solicitation of insurance products. Both the agency and individual licenses require compliance with state insurance regulations, payment of licensure fees, and continuing education programs. In the event that regulatory compliance requirements are not met, Multifamily Internet Ventures LLC could be subject to license suspension or revocation, state Department of Insurance audits and regulatory fines. As a result, our ability to engage in the business of insurance could be restricted, and our revenue and financial results will be adversely affected.

We generate commission revenue from the insurance policies we sell as a registered insurance agent and if insurance premiums decline or if the insureds experience greater than expected losses, our revenues could decline and our operating results could be harmed.

Through our wholly owned subsidiary, Multifamily Internet Ventures LLC, a managing general insurance agency, we generate commission revenue from offering liability and renter’s insurance. Through Multifamily Internet Ventures LLC we also sell additional insurance products, including auto and other personal lines insurance, to renters that buy renter’s insurance from us. These policies are ultimately underwritten by various insurance carriers. Some of the property owners and managers that participate in our programs opt to require renters to purchase rental insurance policies and agree to grant to Multifamily Internet Ventures LLC exclusive marketing rights at their properties. If demand for residential rental housing declines, property owners and managers may be forced to reduce their rental rates and to stop requiring the purchase of rental insurance in order to reduce the overall cost of renting. If property owners or managers cease to require renter’s insurance, elect to offer policies from competing providers or insurance premiums decline, our revenues from selling insurance policies will be adversely affected.

Additionally, one type of commission paid by insurance carriers to Multifamily Internet Ventures LLC is contingent commission, which is affected by claims experienced at the properties for which the renters purchase insurance. In the event that the severity or frequency of claims by the insureds increase unexpectedly, the contingent commission we typically earn will be adversely affected. As a result, our quarterly, or annual, operating results could fall below the expectations of analysts or investors, in which event our stock price may decline.
Our ability to use net operating losses to offset future taxable income may be subject to certain limitations.

In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its pre-change net operating losses, or NOLs, to offset future taxable income. Our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Internal Revenue Code. For these reasons, we may not be able to utilize a material portion of the NOLs reflected on our balance sheet, even if we maintain profitability.

If we are required to collect sales and use taxes on the solutions we sell in additional taxing jurisdictions, we may be subject to liability for past sales and our future sales may decrease.

States and some local taxing jurisdictions have differing rules and regulations governing sales and use taxes, and these rules and regulations are subject to varying interpretations that may change over time. We review these rules and regulations periodically and currently collect and remit sales taxes in taxing jurisdictions where we believe we are required to do so. However, additional state and/or local taxing jurisdictions may seek to impose sales or other tax collection obligations on us, including for past sales. A successful assertion that we should be collecting additional sales or other taxes on our solutions could result in substantial tax liabilities for past sales, discourage clients from purchasing our solutions or may otherwise harm our business and operating results. This risk is greater with regard to solutions acquired through acquisitions.

We may also become subject to tax audits or similar procedures in jurisdictions where we already collect and remit sales taxes. A successful assertion that we have not collected and remitted taxes at the appropriate levels may also result in substantial tax liabilities for past sales. Liability for past taxes may also include very substantial interest and penalty charges. Our client contracts provide that our clients must pay all applicable sales and similar taxes. Nevertheless, clients may be reluctant to pay back taxes and may refuse responsibility for interest or penalties associated with those taxes. If we are required to collect and pay back taxes and the associated interest and penalties, and if our clients fail or refuse to reimburse us for all or a portion of these amounts, we will incur unplanned expenses that may be substantial. Moreover, imposition of such taxes on our solutions going forward will effectively increase the cost of such solutions to our clients and may adversely affect our ability to continue to sell those solutions to existing clients or to gain new clients in the areas in which such taxes are imposed.

Changes in our effective tax rate could harm our future operating results.

We are subject to federal and state income taxes in the United States and various foreign jurisdictions, and our domestic and international tax liabilities are subject to the allocation of expenses in differing jurisdictions. Our tax rate is affected by changes in the mix of earnings and losses in jurisdictions with differing statutory tax rates, including jurisdictions in which we have completed or may complete acquisitions, certain non-deductible expenses arising from the requirement to expense stock options and the valuation of deferred tax assets and liabilities, including our ability to utilize our net operating losses. Increases in our effective tax rate could harm our operating results.

We rely on our management team and need additional personnel to grow our business, and the loss of one or more key employees or our inability to attract and retain qualified personnel could harm our business.

Our success and future growth depend on the skills, working relationships and continued services of our management team. The loss of our Chief Executive Officer or other senior executives, or our inability to successfully integrate certain new members of our management, could adversely affect our business. Our future success also will depend on our ability to attract, retain and motivate highly skilled software developers, marketing and sales personnel, technical support and product development personnel in the United States and internationally. All of our employees work for us on an at-will basis. Competition for these types of personnel is intense, particularly in the software industry. As a result, we may be unable to attract or retain qualified personnel. Our inability to attract and retain the necessary personnel could adversely affect our business.

Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovation, creativity and teamwork fostered by our culture, and our business may be harmed.

We believe that a strong corporate culture that nurtures core values and philosophies is essential to our long-term success. We call these values and philosophies the “RealPage Promise” and we seek to practice the RealPage Promise in our actions every day. The RealPage Promise embodies our corporate values with respect to client service, investor communications, employee respect and professional development and management decision-making and leadership. As our organization grows and we are required to implement more complex organizational structures, we may find it increasingly difficult to maintain the beneficial aspects of our corporate culture which could negatively impact our future success.
Risks Related to Ownership of our Common Stock

The concentration of our capital stock owned by insiders may limit your ability to influence corporate matters.

Our executive officers, directors, and entities affiliated with them together beneficially owned approximately 31.1% of our common stock as of March 31, 2017. Of such amount, Stephen T. Winn, our President, Chief Executive Officer and Chairman of the Board, and entities beneficially owned by Mr. Winn held an aggregate of approximately 28.7% of our common stock as of March 31, 2017. This significant concentration of ownership may adversely affect the trading price of our common stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders. Mr. Winn and entities beneficially owned by Mr. Winn may exert significant influence over our management and affairs and matters requiring stockholder approval, including the election of directors and the approval of significant corporate transactions, such as mergers, consolidations or the sale of substantially all of our assets. Consequently, this concentration of ownership may have the effect of delaying or preventing a change of control, including a merger, consolidation or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if that change of control would benefit our other stockholders.

The trading price of our common stock price may be volatile.

The trading price of our common stock could be subject to wide fluctuations in response to various factors, including, but not limited to, those described in this “Risk Factors” section, some of which are beyond our control. Factors affecting the trading price of our common stock include:

- variations in our operating results or in expectations regarding our operating results;
- variations in operating results of similar companies;
- announcements of technological innovations, new solutions or enhancements, strategic alliances or agreements by us or by our competitors;
- announcements by competitors regarding their entry into new markets, and new product, service and pricing strategies;
- marketing, advertising or other initiatives by us or our competitors;
- increases or decreases in our sales of products and services for use in the management of units by clients and increases or decreases in the number of units managed by our clients;
- threatened or actual litigation;
- major changes in our board of directors or management;
- recruitment or departure of key personnel;
- changes in our financial guidance and how our actual results compare to such guidance;
- changes in the estimates of our operating results or changes in recommendations by any research analysts that elect to follow our common stock;
- market conditions in our industry and the economy as a whole;
- the overall performance of the equity markets;
- sales of our shares of common stock by existing stockholders;
- volatility in our stock price, which may lead to higher stock-based expense under applicable accounting standards; and
- adoption or modification of regulations, policies, procedures or programs applicable to our business.

In addition, the stock market in general, and the market for technology and specifically Internet-related companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may harm the market price of our common stock regardless of our actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market price of a particular company’s securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management’s attention and our resources, whether or not we are successful in such litigation.

Our stock price could decline due to the large number of outstanding shares of our common stock eligible for future sale.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate.
As of March 31, 2017, we had 82,867,780 shares of common stock outstanding. Of these shares, 78,538,007 were immediately tradable without restriction or further registration under the Securities Act, unless these shares are held by “affiliates,” as that term is defined in Rule 144 under the Securities Act.

As of March 31, 2017, holders of 21,900,615, or approximately 26.4%, of our outstanding common stock were entitled to rights with respect to the registration of these shares under the Securities Act. If we register their shares of common stock, these stockholders could sell those shares in the public market without being subject to the volume and other restrictions of Rule 144 and Rule 701.

In addition, we have registered approximately 27,634,259 shares of common stock that have been issued or reserved for future issuance under our stock incentive plans. Of these shares, 2,398,889 shares were eligible for sale upon the exercise of vested options as of March 31, 2017.

Our charter documents and Delaware law could prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock.

Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include:

- a classified board of directors whose members serve staggered three-year terms;
- not providing for cumulative voting in the election of directors;
- authorizing our board of directors to issue, without stockholder approval, preferred stock with rights senior to those of our common stock;
- prohibiting stockholder action by written consent; and
- requiring advance notification of stockholder nominations and proposals.

These and other provisions of our amended and restated certificate of incorporation and our amended and restated bylaws and under Delaware law could discourage potential takeover attempts, reduce the price that investors might be willing to pay in the future for shares of our common stock and result in the market price of our common stock being lower than it would be without these provisions.

If securities analysts do not continue to publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.

We expect that the trading price for our common stock may be affected by research or reports that industry or financial analysts publish about us or our business. If one or more of the analysts who cover us downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease coverage of our company, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

We do not anticipate paying any cash dividends on our common stock.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future. If we do not pay cash dividends, you would receive a return on your investment in our common stock only if the market price of our common stock has increased when you sell your shares. In addition, the terms of our credit facilities currently restrict our ability to pay dividends. See additional discussion under the Dividend Policy heading of Part II, Item 5 of our Annual Report on Form 10-K filed with the SEC on March 1, 2017.
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Purchases of Equity Securities

The following table provides information with respect to repurchases of our common stock made during the three months ended March 31, 2017, by RealPage, Inc. or any “affiliated purchaser” of RealPage, Inc. as defined in Rule 10b-18(a)(3) under the Exchange Act:

<table>
<thead>
<tr>
<th>Period</th>
<th>Total Number of Shares Purchased</th>
<th>Average Price Paid per Share</th>
<th>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)</th>
<th>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2017 through January 31, 2017</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$ 44,894,113</td>
</tr>
<tr>
<td>February 1, 2017 through February 28, 2017</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>44,894,113</td>
</tr>
<tr>
<td>March 1, 2017 through March 31, 2017</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>44,894,113</td>
</tr>
</tbody>
</table>

(1) Our board of directors approved an extension of our May 2014 share repurchase program in 2015, 2016, and again in April 2017. Each renewal permitted the repurchase of up to $50.0 million of our common stock during the period commencing on the extension start date and ending one year thereafter. The current extension of the share repurchase program will expire on May 4, 2018.


The exhibits required to be furnished pursuant to Item 6 are listed in the Exhibit Index filed herewith, which Exhibit Index is incorporated herein by reference.
Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 5, 2017

RealPage, Inc.

By: /s/ W. Bryan Hill
W. Bryan Hill
Executive Vice President, Chief Financial Officer and
Treasurer
## EXHIBIT INDEX

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Exhibit Description</th>
<th>Incorporated by Reference</th>
<th>Filed Herewith</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Asset Purchase Agreement dated February 27, 2017 between Registrant and The Rainmaker Group Holdings, Inc., a Georgia corporation (“RGH”), The Rainmaker Group Ventures, LLC, a Delaware limited liability company (“RGV”), The Rainmaker Group Real Estate, LLC, a Georgia limited liability company (“RGRE”), The Rainmaker Group - Rent Jungle LLC, a Georgia limited liability company (“RRJ”), and The Rainmaker Group Data, LLC, a Georgia limited liability company (“RGD,” and together with RGH, RGV, RGRE and RRJ, the “Sellers,” and each a “Seller”), Bruce Barfield, an individual (“BB”), Tamara Farley, an individual (“TF”), The Bruce Allen Barfield Trust, dated December 27, 2011 (the “BB Trust”), The Tamara Tanner Farley Trust, dated December 27, 2011 (the “TF Trust”), John C. Alexander, an individual (“JA,” and together with BB, TF and the BB Trust)*</td>
<td>Form S-1/A Date 7/26/2010 Number 3.2</td>
<td>X</td>
</tr>
<tr>
<td>3.1</td>
<td>Amended and Restated Certificate of Incorporation of the Registrant</td>
<td>Form S-1/A Date 7/26/2010 Number 3.2</td>
<td></td>
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<tr>
<td>3.2</td>
<td>Amended and Restated Bylaws of the Registrant</td>
<td>Form S-1/A Date 7/26/2010 Number 3.4</td>
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<tr>
<td>4.1</td>
<td>Form of Common Stock certificate of the Registrant</td>
<td>Form S-1/A Date 7/26/2010 Number 4.1</td>
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<tr>
<td>4.2</td>
<td>Shareholders’ Agreement among the Registrant and certain stockholders, dated December 1, 1998, as amended July 16, 1999 and November 3, 2000</td>
<td>Form S-1 Date 4/29/2010 Number 4.2</td>
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</tr>
<tr>
<td>4.3</td>
<td>Second Amended and Restated Registration Rights Agreement among the Registrant and certain stockholders, dated February 22, 2008</td>
<td>Form S-1 Date 4/29/2010 Number 4.3</td>
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<tr>
<td>10.1</td>
<td>Second Amendment to Credit Agreement among the Registrant, certain subsidiaries of the Registrant party thereto, the lenders party thereto, and Wells Fargo Bank, National Association, as administrative agent, dated February 15, 2017.</td>
<td></td>
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<tr>
<td>10.2</td>
<td>Third Amendment to Credit Agreement among the Registrant, certain subsidiaries of the Registrant party thereto, the lenders party thereto, and Wells Fargo Bank, National Association, as administrative agent, dated February 27, 2017.</td>
<td></td>
<td>X</td>
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<tr>
<td>10.3</td>
<td>Fourth Amendment to Credit Agreement among the Registrant, certain subsidiaries of the Registrant party thereto, the lenders party thereto, and Wells Fargo Bank, National Association, as administrative agent, dated April 3, 2017.</td>
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<td>10.4</td>
<td>Form of 2017 Management Incentive Plan</td>
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<tr>
<td>10.5</td>
<td>Fourth Amendment to the RealPage, Inc. 2010 Equity Incentive Plan, as amended and restated, dated February 16, 2017.</td>
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<tr>
<td>10.6</td>
<td>Employment Agreement between Registrant and Andrew Blount, dated December 11, 2015</td>
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<tr>
<td>10.7</td>
<td>Amendment to Employment Agreement between Registrant and Andrew Blount, dated January 4, 2016</td>
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<td>31.1</td>
<td>Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</td>
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<td>X</td>
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<tr>
<td>31.2</td>
<td>Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</td>
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<tr>
<td>32.1</td>
<td>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</td>
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<td>X</td>
</tr>
</tbody>
</table>
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<td>32.2</td>
<td>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as</td>
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<td></td>
<td>adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</td>
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<td>101.LAB</td>
<td>Taxonomy Extension Labels</td>
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<td>101.PRE</td>
<td>Taxonomy Extension Presentation</td>
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<tr>
<td>101.DEF</td>
<td>Taxonomy Extension Definition</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

* Exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K and will be furnished to the Securities and Exchange Commission upon request.

66
ASSET PURCHASE AGREEMENT

dated as of

February 27, 2017

by and among

REALPAGE, INC.
   as Parent

RP NEWCO XX LLC
   as Buyer

THE RAINMAKER GROUP HOLDINGS, INC.,
THE RAINMAKER GROUP VENTURES, LLC,
THE RAINMAKER GROUP REAL ESTATE, LLC,
THE RAINMAKER GROUP - RENT JUNGLE LLC
   and
THE RAINMAKER GROUP DATA, LLC
   as Sellers

BRUCE BARFIELD,
TAMARA FARLEY,
THE BRUCE ALLEN BARFIELD TRUST,
THE TAMARA TANNER FARLEY TRUST
   and
JOHN C. ALEXANDER
   as Seller Owners

THE HOSPITALITY SUBSIDIARIES
   for the purposes set forth herein

and

BRUCE BARFIELD
   in his capacity as Representative
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Exhibit H Form of License Agreement
ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (together with all Schedules and Exhibits hereto, this “Agreement”), dated as of February 27, 2017, is entered into by and among The Rainmaker Group Holdings, Inc., a Georgia corporation (“RGH”), The Rainmaker Group Ventures, LLC, a Delaware limited liability company (“RGV”), The Rainmaker Group Real Estate, LLC, a Georgia limited liability company (“RGRE”), The Rainmaker Group - Rent Jungle LLC, a Georgia limited liability company (“RRJ”), and The Rainmaker Group Data, LLC, a Georgia limited liability company (“RGD,” and together with RGH, RGV, RGRE and RRJ, the “Sellers,” and each a “Seller”), Bruce Barfield, an individual (“BB”), Tamara Farley, an individual (“TF”), The Bruce Allen Barfield Trust, dated December 27, 2011 (the “BB Trust”), The Tamara Tanner Farley Trust, dated December 27, 2011 (the “TF Trust”), John C. Alexander, an individual (“JA,” and together with BB, TF and the BB Trust, the “Seller Owners,” and each a “Seller Owner”), each of the Hospitality Subsidiaries (as defined herein) listed on the signature pages hereto, Bruce Barfield, in his capacity as representative of the Seller Parties (the “Representative”), RealPage, Inc., a Delaware corporation (“Parent”), and RP Newco XX LLC (“Buyer”), a Delaware limited liability company and wholly owned subsidiary of Parent (collectively, with Parent, the “Buyer Parties,” and each individually a “Buyer Party”). Sellers and the Seller Owners may be referred to herein collectively as the “Seller Parties,” or individually as a “Seller Party.”

RECITALS

WHEREAS, Sellers have engaged and currently engage in the business of providing software and related services supporting the revenue management, demand generation, leasing effectiveness, data analytics and market intelligence needs of participants in the multifamily rental housing industry (collectively, the “Business”);

WHEREAS, certain of the Sellers and Sellers’ Affiliates also engage in the business of providing software and related services for the hospitality industry (the “Retained Business”);

WHEREAS, Buyer desires to purchase the Purchased Assets (as defined below) and assume the Assumed Liabilities (as defined below) from Sellers, and Sellers desire to sell to Buyer the Purchased Assets and transfer to Buyer the Assumed Liabilities, upon the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, the Parties desire to make certain representations, warranties and agreements in connection with the transactions contemplated herein and to prescribe certain conditions to the transactions contemplated herein.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

The capitalized terms not otherwise defined in this Agreement shall have the meanings specified or referred to in ANNEX I.

2
ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale of Purchased Assets. On the terms and subject to the conditions contained in this Agreement, at the Closing, Buyer shall purchase, and Sellers shall sell, convey, assign, transfer and deliver to Buyer, free and clear of any Liens, by appropriate instruments of conveyance in the forms attached hereto or otherwise reasonably satisfactory to Buyer, all of Sellers’ assets, properties and rights, other than the Excluded Assets, that relate to or are used, developed for use or held for use in connection with, or necessary for the operation of, the Business, whether tangible or intangible, real, personal or mixed (collectively, the “Purchased Assets”). Without limiting the generality of the foregoing, the Purchased Assets shall include all right, title and interest of the Sellers in and to the following:

(a) all Contracts that relate to or are used or held for use in connection with, or necessary for the operation of, the Business (collectively, the “Assumed Contracts”), including the Contracts identified in Schedule 2.1(a), including any work in progress associated therewith, which shall include:

(i) all Contracts with customers and vendors relating to the Business (other than Excluded Contracts);

(ii) all rights and interests of Sellers in and to all third party licenses or other agreements with respect to third party Intellectual Property Rights that relate to or are used or useful in, developed for use, or held for use in connection with the Business; and

(iii) all employee non-disclosure, confidentiality, non-solicitation, employee noncompetition and assignment of Intellectual Property agreements relating to the Business or current or former Business Employees and executed in favor of any Seller;

(a) all tangible personal property, leasehold interests and any associated rights and interests of any Seller in all equipment, fixtures, furniture, furnishings, laptops, computers, data processing hardware, servers, workstations, tools, parts, supplies and other tangible personal property owned or leased by any Seller and used or held for use in connection with the Business (other than the Excluded Assets);

(b) all accounts receivable and unbilled revenue on the books and records of Sellers as of the Closing Date which relate to services under or with respect to the Assumed Contracts, the Business or the Purchased Assets performed by Seller on or prior to the Closing Date;

(c) all prepaid rentals, deposits, advances and other prepaid expenses (other than the Excluded Assets described in Section 2.2(o)), to the extent relating to the Business, the Assumed Contracts or the other Purchased Assets;

(d) all rights and interests in any consents, approvals, Permits and other authorizations used or held for use in the Business;

(e) all Intellectual Property relating to, used or held for use in connection with, or necessary for the operation of, the Business, including all goodwill associated with such Intellectual Property and all rights of Sellers to sue for and receive damages or other relief in respect of any past infringement or other violation of any rights therefor;

(f) all rights and interests of Sellers and Sellers’ Affiliates in (i) the names “ILM,” “SlopeJet,” “Rent Jungle,” “Insights,” “MDX,” “LRO,” and “LRI,” (ii) the name “Rainmaker” for use in connection with the Business or any products or services provided to any set or subset of the multifamily housing (including conventional, affordable, senior living and student housing), single family housing, short term housing, or vacation rental housing markets (but expressly excluding for use in connection with the Retained Business), in each case, including any derivatives thereof, together with all goodwill associated therewith and all rights to sue for and receive damages or other relief in respect of any past infringement or other violation of any rights therefor;

(g) all telephone numbers, including all “800”, “888” and other toll-free and local telephone numbers, facsimile numbers, and other communication identifiers used in connection with the Business;
(h) all rights and interests of Sellers in the Internet domain names relating to, used or held for use in connection with the Business, including the domain names set forth on Schedule 2.1(i), but expressly excluding the domain names set forth on Schedule 2.2(n);

(i) except as provided in Section 2.2(d) and Section 2.2(e) below, all Books and Records of Sellers relating to the Business;

(j) all rights and claims (whether contingent or absolute, matured or unmatured and whether in tort, contract or otherwise) against any other Person which relate to the Business or the Purchased Assets, including any Liens, judgments, causes of action and rights of recovery;

(k) all documentation, sales and promotional literature, workplans, due diligence materials, market assessments, business development opportunities and materials, client lists, client work papers, services agreement drafts, other Contract drafts, strategies, logos, designs, proposals, requests for proposal, reports, plans and models used or held for use in the Business;

(l) all of Sellers’ respective client or customer engagements under the Assumed Contracts, including all client work and work product related to the Assumed Contracts that has been performed or is in the process of being performed on the Closing Date and all user or other data gathered, produced or captured pursuant to the Assumed Contracts and all other data and information held by Sellers for use in connection with the Business; and

(m) all other properties, assets, claims, rights and entitlements of any kind, character and description whatsoever (whether or not reflected on the respective books of Sellers and whether real, personal or mixed, tangible or intangible, contingent or otherwise) that relate to or are used in, developed for use or held for use in connection with, or necessary for the operation of, the Business.

2.2 Excluded Assets. Notwithstanding the foregoing, the following assets (the “Excluded Assets”) are expressly excluded from the purchase and sale contemplated in this Agreement and, as such, are not included in the Purchased Assets:

(a) Sellers’ cash and cash equivalents;

(b) Sellers’ bank accounts, cash accounts, investment accounts, merchant accounts, lockboxes and other similar accounts;

(c) Sellers’ rights under or pursuant to this Agreement and the documents, instruments and agreements executed in connection herewith and therewith;

(d) Sellers’ general ledger, accounting records, minute books, statutory books, corporate seal and Tax Returns, provided that Sellers shall provide to Buyer copies of the general ledger, accounting records, minute books and statutory books of the Business, including Tax Returns, as such documents exist as of the Closing Date;

(e) Sellers’ personnel records and any other records that Seller is required by law to retain in its possession, provided that Sellers shall provide to Buyer copies of records relating to the Transferred Employees;

(f) any right to receive mail and other communications addressed to Sellers (subject to Sellers’ obligation to forward to Buyer any mail, communications or other notices relating to the Business, Purchased Assets or Assumed Liabilities with respect to Contracts included in the Purchased Assets);

(g) all rights existing under each Contract or arrangement set forth on Schedule 2.2(g) (collectively, the “Excluded Contracts”);

(h) the personal property, equipment and furniture, if any, listed on Schedule 2.2(h);

(i) all shares, membership interests, partnership interests, participation interests or other equity interests or securities, or equivalents thereof, in any Person (including any other Seller);

(j) the Seller Benefit Plans and all documentation and materials related thereto and assets thereunder;

(k) all insurance policies and rights thereunder, including rights as beneficiary or owner, and insurance claims for which Sellers may seek recovery under any of its existing policies;
the assets set forth on Schedule 2.2(l);  
(m) any assets that exclusively relate to or are exclusively used, developed for use or held for use in connection with the Retained Business;  
(n) the assets, including any domain names, described on Schedule 2.2(n); and  
o) all prepaid rentals, deposits, advances and other prepaid expenses relating to the 2017 User Conference.

2.3 **Assumed Liabilities.** Upon the terms and subject to the conditions of this Agreement, at the Closing, Buyer shall assume, and thereafter shall pay, discharge and perform when due, as appropriate, the following Liabilities, solely to the extent related to the Business (individually and collectively, the “**Assumed Liabilities**”):

(a) all Liabilities shown on the Estimated Working Capital Certificate and not discharged as of the Closing Date, in each case, solely to the extent that such Liabilities were incurred in connection with the operation of the Business in the ordinary course;  
(b) all Liabilities arising from performance following the Closing Date under each Assumed Contract, in each case, solely to the extent that such Liabilities were incurred in connection with the operation of the Business in the ordinary course but specifically excluding all Liabilities arising under any Excluded Contract; and  
(c) Liabilities necessary for the operation of the Business that are bona fide, immaterial both individually and in the aggregate, and incurred in the ordinary course of business consistent with past practices;  

provided, however, that notwithstanding anything to the contrary in this Agreement, none of the Excluded Liabilities shall be included in the definition of Assumed Liabilities. For the avoidance of doubt, the Buyer shall pay, discharge and perform when due, as appropriate, the Liabilities arising from the Buyer Parties’ operation of the Business following the Closing.

2.4 **Excluded Liabilities.** Buyer has not agreed to pay, perform or discharge any Liability of Sellers, and shall not assume any Liability of Sellers, except to the extent this Agreement expressly provides that Buyer shall assume such Liability. Without limiting the generality of the preceding sentence, and notwithstanding anything else to the contrary herein, Sellers shall retain, and shall be responsible for paying, performing and discharging, when due, and Buyer shall not assume or have any responsibility for, any Liabilities of Sellers or any Liabilities related to the Business, other than the Assumed Liabilities (individually and collectively, the “**Excluded Liabilities**”). Excluded Liabilities shall include, without limitation, the following:

(a) all Liabilities relating to, in connection with or arising out of the Excluded Assets or the Retained Business;  
(b) all Liabilities relating to, in connection with or arising out of the Indebtedness of Sellers;  
(c) all legal, accounting, brokerage, investment banking, financial advisory and finder’s fees and other fees and expenses incurred by or on behalf of Sellers in connection with this Agreement, the Ancillary Agreements or the transactions contemplated herein or therein, including all Brokers’ and Finders’ Fees Liabilities;  
(d) all Liabilities related to, in connection with or arising out of any breach by any Seller or Seller Owner of this Agreement or any of the Ancillary Agreements;  
(e) all Liabilities related to the 2017 User Conference;  
(f) all Liabilities under any Contract that is not an Assumed Contract;  
(g) all Liabilities for Taxes (i) of any of the Seller Parties for any Tax period (other than Transfer Taxes), (ii) with respect to the Business or the Purchased Assets for any Tax period (or portion thereof) ending on or prior to the Closing Date, including, for the avoidance of doubt, the portion of any Straddle Period ending on the Closing Date (the “**Pre-Closing Tax Period**”), (iii) resulting from a breach of the representations and warranties set forth in Section 4.7 or the covenants in Section 6.2, or (iv) otherwise allocated to the Seller Parties pursuant to Section 6.2 (including Transfer Taxes);  
(h) all Liabilities relating to, in connection with or arising out of any Seller Benefit Plan or employee benefits;
(i) all Liabilities to Sellers’ employees or consultants and any withholding or reporting obligations relating to compensation paid or payable to employees or consultants;

(j) all Liabilities and any indemnification obligations related to directors, officers, members or managers of Sellers;

(k) all Liabilities relating to, in connection with or arising out of obligations to perform under the Assumed Contracts on or prior to the Closing Date;

(l) all Liabilities relating to, in connection with or arising out of any breach or default (or any event or circumstance that would constitute a breach or default with or without notice, the passage of time or both), failure to perform or overcharges or underpayments, in each case arising from events, actions or inactions prior to the Closing, under the Assumed Contracts;

(m) all Liabilities of Sellers to any current or former stockholder, member, option holder, profits interest holder, manager, officer or director of any Seller or any of Sellers’ Subsidiaries, including any Claims by any such Person arising out of, in connection with or relating to this Agreement, the Ancillary Agreements or the transactions contemplated hereby or therein;

(n) all Liabilities relating to, or arising out of or in connection with any Claim with respect to the operation of the Business or the Purchased Assets prior to the Closing, whether such Claim is brought prior to, on or after the Closing Date;

(o) all Litigation Obligations;

(p) all Compliance Liabilities;

(q) all Intellectual Property Liabilities;

(r) all Pre-Closing Environmental Liabilities;

(s) all Seller Transaction Expenses;

(t) all Liabilities for amounts payable as “change of control,” sales, bonus, incentive or severance payments in connection with this Agreement or the transactions contemplated herein and

(u) all Liabilities pertaining to the Business or any Purchased Asset and relating to, arising out of or resulting from noncompliance on or prior to the Closing Date with any Rule or Contract.

2.5 Purchase Price. The aggregate purchase price for the Purchased Assets (as adjusted in accordance with the terms of this Agreement, the “Purchase Price”) shall consist exclusively of:

(a) $298,500,000 in cash (as adjusted in accordance with the terms of this Agreement, the “Closing Cash Consideration”) to be paid by Buyer (or by Parent on behalf of Buyer) to Sellers at Closing in accordance with Section 2.6(a);

(b) $1,500,000 in cash (the “Holdback Cash Consideration”) to be paid by Buyer (or by Parent on behalf of Buyer) to Sellers in accordance with Section 2.6(c); and

(c) the assumption by Buyer of the Assumed Liabilities.

The Closing Cash Consideration and Holdback Cash Consideration may be increased or decreased (as provided below) for the cumulative net adjustments required as of or following the Closing.

2.6 Payment of Purchase Price. The Purchase Price shall be payable by Buyer as follows:

(a) Closing Cash Consideration. At the Closing, Buyer shall deliver to Sellers, by wire transfer of immediately available funds to an account or accounts designated by Sellers in writing and delivered to Parent no later than three Business Days prior to Closing, an amount in cash equal to the Closing Cash Consideration, minus (i) any Indebtedness of Sellers, (ii) any Seller Transaction Expenses or other amounts that Sellers request be funded out of the Closing Cash Consideration in accordance with Section 6.14, (iii) the amount (if any) by which the Target Working Capital exceeds the Estimated Working Capital (as set forth in the Estimated Working Capital Certificate) and (iv) an amount equal to (x) the amount (if any) by which the revenues of the Business reflected on the Unaudited Carve-Out Financial Statements of the Business exceed the revenues of the Business reflected on the
Audited Carve-Out Financial Statements of the Business multiplied by (y) 8.43 (the “Carve-Out Adjustment Amount”), but only to the extent such Carve-Out Adjustment Amount is equal to or greater than $500,000.

(b) **Indebtedness.** At the Closing, upon receipt of commercially reasonable evidence of release or payoff letters, as applicable, in a form reasonably satisfactory to Buyer, for any Indebtedness and any corresponding UCC-3 Termination Statement required to be delivered pursuant to Section 7.2(i), Buyer shall remit from the Closing Cash Consideration to holders of Indebtedness of Sellers existing on the Closing Date an amount equal to such Indebtedness.

(c) **Holdback Cash Consideration, Release Dates.** At the Closing, Buyer shall retain the amount of the Holdback Cash Consideration, which will constitute partial security for the satisfaction of Sellers’ indemnity and other obligations under this Agreement and the Ancillary Agreements (the “Seller Party Obligations”). Buyer shall retain and shall have the right to subtract from the Holdback Cash Consideration (i) the amount, if any, to which Buyer is entitled pursuant to Section 2.7(d) (Working Capital Shortfall), (ii) any Indemnified Representation Losses for which an Indemnified Party is entitled to indemnification pursuant to Article 9 and (iii) if Buyer so elects, any other Indemnified Losses for which an Indemnified Party is entitled to indemnification pursuant to Article 9. Buyer shall pay the balance of the Holdback Cash Consideration to Seller (or its written designee(s)) as follows:

(i) Within 30 days after the 12-month anniversary of the Closing Date (the “Release Date”), Buyer shall pay to Sellers an amount equal to (A) the Holdback Cash Consideration, minus (B) the amount, if any, subtracted by Buyer from the Holdback Cash Consideration pursuant to Section 2.7(c), minus (C) the amount of all Indemnified Losses that have been subtracted by Buyer from the Holdback Cash Consideration pursuant to Article 9 as of such date, minus (D) any amounts described in Section 2.6(c)(ii) below.

(ii) To the extent that as of the Release Date there are claims by the Indemnified Parties for indemnification against the Indemnifying Parties pursuant to Article 9 pending or any of the Seller Party Obligations has been breached or has not been performed, Buyer shall retain from the payment of the Holdback Cash Consideration a reasonable amount to cover potential costs, expenses or damages to be incurred by the Indemnified Parties, as determined by Buyer in the reasonable exercise of its discretion, until such time as such claims have been dismissed, adjudicated or settled, or such breaches have been cured or compensated, as applicable.

### 2.7 Working Capital Adjustment

(a) The Closing Cash Consideration shall be subject to further adjustment at and after the Closing as specified in this Section 2.7. The target Working Capital at Closing shall be $3,429,230 (the “Target Working Capital”). No less than five business days prior to the Closing Date, Sellers shall provide a written certificate to Parent (the “Estimated Working Capital Certificate”), which sets forth an estimate of the Working Capital of the Business as of the Closing Date (the “Estimated Working Capital”), determined in accordance with GAAP consistently applied with Sellers’ past accounting practices, which are consistent with the example calculation set forth in Schedule 2.7. If the Target Working Capital exceeds the Estimated Working Capital, then the amount of the Closing Cash Consideration shall be reduced in accordance with Section 2.6(a). Parent and its representatives, including Parent’s independent accountants, will be entitled to review all work papers of Seller and its representatives, including its independent accountants, relating to the Estimated Working Capital. If Parent disputes the Estimated Working Capital (or any portion thereof) prior to the Closing Date, then Parent and Seller will negotiate in good faith to resolve any such dispute at or prior to the Closing Date and shall agree in writing upon the resolution thereof, which shall be reflected in a final Estimated Working Capital Certificate delivered at Closing.

(b) Not later than 90 days after the Closing Date, Parent shall deliver to the Representative (i) a statement (the “Closing Working Capital Statement”) setting forth the Working Capital of the Business as of the Closing Date determined in accordance with the methodology described in Schedule 2.7 (“Final Working Capital”) and such work papers and other documents and information as are reasonably necessary to demonstrate the manner in which such Working Capital was calculated (the “Support Documentation”), or (ii) its good faith estimate of the date on which the Closing Working Capital Statement and the Support Documentation will be delivered, and shall deliver the Closing Working Capital Statement and the Support Documentation on or before such date.
(c) The Representative (on behalf of the Sellers) shall, within 30 days after Parent’s delivery to Representative of the Closing Working Capital Statement and the Support Documentation, accept or reject the Working Capital calculation as submitted by Parent.

(i) If the Representative rejects such calculation, the Representative shall give written notice (the “Working Capital Objection Notice”) to Parent within such 30-day period and provide a reasonably detailed explanation of the basis of any disagreement. If the Representative fails to notify Parent of any disagreement within such 30-day period, Sellers shall be deemed to have accepted Parent’s calculations. Further, if the Representative notifies Parent that the Representative disagrees only with a portion of Parent’s Working Capital calculation, then all remaining portions of Parent’s Working Capital calculation shall be deemed to have been accepted by Sellers. If the Representative delivers the Working Capital Objection Notice within such 30-day period, then Parent and the Representative shall endeavor in good faith to resolve the objections, for a period not to exceed 30 days from the date Parent receives the Working Capital Objection Notice, and if the Parties so resolve all disputes then the Closing Working Capital Statement, as amended to the extent necessary to reflect the resolution of the dispute, shall be final, conclusive and binding on Parent and Sellers.

(ii) If the Parties have not resolved any disagreement with respect to the determination of the Working Capital within such 30-day period, then such disagreement shall be submitted to an accounting or consulting firm mutually agreeable to the Representative and Parent (the “Arbitrator”) for a final and binding resolution of the disagreement. The Arbitrator shall promptly determine the matters in dispute (and only such matters as are in dispute) relating to the calculation of Working Capital, and issue written findings of fact and conclusions in support thereof. Each Party shall furnish to the Arbitrator such work papers and other documents and information relating to such objections as the Arbitrator may request and are available to that Party (or its independent public accountants) and will be afforded the opportunity to present to the Arbitrator any material relating to the determination of the matters in dispute and to discuss such determination with the Arbitrator. To the extent that a value has been assigned to any objection that remains in dispute, the Arbitrator shall not assign a value to such objection that is greater than the greatest value for such objection claimed by either Party or less than the smallest value for such objection claimed by either Party. The determination by the Arbitrator, as set forth in a written notice delivered to both Parties by the Arbitrator, shall be made in accordance with this Agreement and shall be final and binding on the Parties and shall constitute an arbitral award that is final, binding and unappealable and upon which a judgment may be entered by a court having jurisdiction thereof. The fees and expenses of the Arbitrator shall be paid by the Party whose calculation of the Working Capital of the Business as of the Closing Date is further from the Working Capital of the Business as of the Closing Date as determined by the Arbitrator. All proceedings conducted by the Arbitrator shall take place in Denver, Colorado. Notwithstanding anything to the contrary in this Agreement, the Parties agree that the scope of the Arbitrator’s review shall be limited to the Closing Working Capital Statement and calculation of Working Capital of the Business. This provision for arbitration shall be specifically enforceable.

(d) If the Final Working Capital (as finally determined in accordance with Section 2.7) is less than the Estimated Working Capital, then Parent may seek recovery of such shortfall (the “Working Capital Shortfall”) by making a claim for and deducting the Working Capital Shortfall from the Holdback Cash Consideration, without reference to or meeting any Threshold requirement, notwithstanding the provisions of Article 9. To the extent permitted under Applicable Law, the Parties will treat (and will cause each of their respective Affiliates to treat) any amounts payable with respect to any Working Capital Shortfall as an adjustment to the Purchase Price. For purposes of clarity, the Working Capital Shortfall shall be the amount by which the Final Working Capital is less than the lower of the Target Working Capital or the Estimated Working Capital, provided that the proper adjustment was made under Section 2.6(a).

2.8 Allocation of Purchase Price; Closing Matters.

(a) As soon as practicable after the Closing, Buyer shall allocate the Purchase Price (including those Assumed Liabilities that are Liabilities for Tax purposes) pursuant to Section 1060 of the Code and any other applicable Tax laws among the Purchased Assets and the non-compete agreement described in Section 6.11 for all Tax purposes in accordance with this Section (the “Allocation”) and deliver a statement to the Representative setting forth the Allocation. The Representative shall, within 30 days following its receipt of the Allocation, accept or reject the Allocation as submitted by Buyer. During this 30-day period, the Representative may request, and Parent shall endeavor to provide, documents and information reasonably necessary for the Representative to understand the
Allocation. If the Representative disagrees with the Allocation, the Representative shall give written notice to Buyer of such disagreement and the specific basis for such disagreement within such 30-day period. Should the Representative fail to notify Buyer in writing of a disagreement within such 30-day period, the Representative (on behalf of Sellers) shall be deemed to have agreed with Buyer’s Allocation. If the Representative gives written notice to Buyer of a disagreement and the specific basis for such disagreement within such 30-day period, then Buyer and the Representative shall negotiate in good faith to resolve any disputed items. If, after a period of 20 days following the date on which the Representative gives Buyer timely notice of such disagreement, any proposed change remains disputed, then Sellers, collectively on the one hand, and Buyer, on the other hand, shall each be entitled to adopt their own positions regarding the Allocation to the extent of any differences arising from such disputed items, and the Representative (on behalf of Sellers) shall be deemed to have otherwise agreed with the Buyer’s Allocation. To the extent the Parties agree (or the Representative (on behalf of Sellers) is deemed to agree) on the Allocation, such Allocation, as agreed to (or deemed to be agreed to) is referred to herein as the “Final Allocation.” Buyer and Sellers shall file all Tax Returns (such as IRS Form 8594 or any other forms or reports required to be filed pursuant to Section 1060 of the Code or any comparable provisions of applicable law (“Section 1060 Forms”) in a manner that is consistent with the Final Allocation and refrain from taking any action inconsistent therewith, unless otherwise required to do so by applicable law or a “determination” within the meaning of Section 1313(a)(1) of the Code; provided, however, that (i) Buyer’s cost for the Purchased Assets and the covenant not-to-compete described in Section 6.11 may differ from the total amount allocated hereunder to reflect the inclusion in the total cost of items (for example, capitalized acquisition costs) not included in the amount so allocated, (ii) the amount realized by Sellers may differ from the total amount allocated hereunder to reflect transaction costs that reduce the amount realized for federal income Tax purposes, and (iii) neither Seller or any of its Affiliates nor Buyer or any of its Affiliates will be obligated to litigate any challenge to the final Allocation Schedule by a Taxing authority.

Buyer and Sellers shall file such Section 1060 Forms timely and in the manner required by applicable law. Buyer and Sellers also shall allocate and report any adjustments to the Purchase Price in accordance with Section 1060 of the Code and the Treasury Regulations thereunder, and any allocations made as a result of such adjustments (to the extent agreed to or deemed to be agreed to, applying the same procedures discussed above in this Section 2.8(a)) shall become part of the Final Allocation.

(b) Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated in this Agreement (the “Closing”) shall take place at 10:00 a.m. (Central time) on the second business day after all conditions to Closing (other than the release of deliverables to be made at the Closing) have been satisfied or waived. The date of the Closing is herein referred to as the “Closing Date.” Notwithstanding the foregoing, the Closing shall be deemed effective for all purposes, and the right of possession of the Purchased Assets shall be deemed to have been passed to Buyer at 11:59 p.m. (Central time) on the Closing Date, and the Parties agree to acknowledge and use the Closing Date for all purposes, including for accounting and tax purposes.

(c) Subject to the conditions set forth in this Agreement, the Parties shall consummate the following on the Closing Date:

(i) Seller shall deliver to Buyer the Purchased Assets and retain the Excluded Assets and the Excluded Liabilities;
(ii) Buyer shall pay the Closing Cash Consideration;
(iii) Buyer shall assume the Assumed Liabilities;
(iv) the Parties shall deliver or cause to be delivered the Transfer Documents (as per Section 2.8(e)), the Transition Services Agreement and certificates and other documents and instruments required to be delivered by or on behalf of a Party hereof under Article 7.

(d) Seller, on the one hand, and Buyer, on the other hand, shall, pursuant to and in accordance with the terms and conditions of this Agreement, enter into, and cause their respective Subsidiaries, if applicable, to enter into, on the Closing Date, separate bills of sale and assignment and assumption agreements, including patent, trademark, copyright, domain name and contract assignments (collectively, the “Transfer Documents”) documenting the purchase and sale of each portion of the Purchased Assets and the Assumed Liabilities to be conveyed separately to Buyer. Such individual Transfer Documents will memorialize the transfer of the Purchased Assets to Buyer, Buyer’s assumption of the Assumed Liabilities, and Seller’s retention of the Excluded Assets and Excluded Liabilities.
(e) The Transfer Documents shall be in substantially the applicable forms attached hereto as Exhibits B-1 through B-4, with such modifications as are necessary and appropriate as a result of differences in local laws or customs, in order to maintain substantially the same legal meaning and effect as provided for in this Agreement. In the event of any conflict or inconsistency between the terms and conditions of this Agreement and any Transfer Document, the terms and conditions of this Agreement shall prevail.

(f) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assumed Contract if an attempted assignment thereof, without consent of a third party thereto, would constitute a breach or other contravention thereof or in any way adversely affect the rights of Buyer thereunder. Seller will use its reasonable best efforts (including payment of any reasonable third party costs) and Buyer will use its commercially reasonable efforts to assist Seller to obtain the consent of the other parties to any such Assumed Contract for the assignment thereof to Buyer, provided, however, that neither Buyer nor its Affiliates shall be obligated to pay any consideration therefore to any third party from whom any such consent is requested and any costs related to obtaining such consent shall be the sole responsibility of Seller.

(g) Unless and until such consent is obtained, or if an attempted assignment thereof would be ineffective or would materially adversely affect the rights of Seller thereunder so that Buyer would not in fact receive all rights and benefits under such Assumed Contract, then (i) Seller shall continue to be bound by such Assumed Contract and (ii) unless not permitted by the terms thereof or applicable Rules, Buyer shall, as agent or subcontractor for Seller, pay, perform and discharge fully, or cause to be paid, transferred or discharged all the obligations or other Liabilities of Seller under such Assumed Contract arising solely after the Closing Date (except to the extent expressly otherwise provided herein or in the Ancillary Agreements). Seller shall, without further consideration, pay and remit, or cause to be paid or remitted, to Buyer promptly all money, rights and other consideration received by Seller in respect of such performance. If and when any such consent shall be obtained or such Assumed Contract shall otherwise become assignable, Seller shall promptly assign all of such Seller rights, obligations and other Liabilities under such Assumed Contract to Buyer without receipt of further consideration, and Buyer shall, without the payment of any further consideration, assume the rights, obligations and other Liabilities under such Assumed Contract arising solely from and after the Closing Date (except to the extent expressly otherwise provided herein or in the Ancillary Agreements).

(h) During the period from the Effective Date through the Closing Date, if Buyer reasonably determines in good faith that (i) any Excluded Contracts or other Contracts should be Assumed Contracts or that all or any portion of the Excluded Assets set forth on Schedule 2.2(l) should be a Purchased Asset, then, at no additional expense to Buyer, the Parties will amend the Schedules hereto to reflect such changes and transfer such Contracts or assets, as applicable, to Buyer as if such Contracts or assets had been a “Purchased Asset” as of the date of this Agreement.

2.9 Withholding. Notwithstanding any other provision in this Agreement to the contrary, Buyer and its Affiliates shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement such amounts as Buyer or any of its Affiliates is required to deduct and withhold with respect to the making of such payment under the Code or any other provision of applicable Tax law. To the extent that amounts are so withheld and paid over to the appropriate Governmental Body, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the applicable payee in respect of which such deduction and withholding was made and in the manner required by this Agreement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES CONCERNING THE SELLER OWNERS

Each of the Seller Owners represents and warrants, severally with respect to such Seller Owner and not jointly, to the Buyer Parties as follows:

3.1 Authority as a Seller Owner. Such Seller Owner has the power and authority to execute, deliver and perform this Agreement and the agreements referred to in this Agreement to which such Seller Owner or an equityholder of a Seller Owner is or shall become party (the “Seller Owner Ancillary Agreements”) and to consummate the transactions contemplated in this Agreement and the Seller Owner Ancillary Agreements. The execution, delivery and performance of this Agreement and the Seller Owner Ancillary Agreements, and the
consummation of the transactions contemplated herein and therein, have been duly and validly authorized by all necessary action on the part of such Seller Owner. This Agreement has been, or with respect to Seller Owner Ancillary Agreements to be executed at the Closing, will be, duly executed and delivered by such Seller Owner and will constitute, when executed and delivered, a valid and binding obligation of such Seller Owner in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors’ rights and general principles of equity. Such Seller Owner has obtained all necessary authorizations, approvals and consents from its directors, equityholders, managers, members, trustee and other Persons, as applicable, required in connection with the transactions contemplated in this Agreement and the Seller Owner Ancillary Agreements.

3.2 Seller Interest Ownership. Such Seller Owner is the record and beneficial owner of all right, title and interest in and to the issued and outstanding equity interests in each Seller (the “Seller Interests”) as set forth on Section 4.4(a) of the Disclosure Schedule. Except as set forth in Section 3.2 of the Disclosure Schedule, such Seller Owner has, and will have at the Closing, good, marketable and legal title to its Seller Interests, free and clear of all Liens. Such Seller Owner is not party to any voting trust, proxy or other agreement or understanding with respect to the ownership or voting of any of the Seller Interests. Other than its ownership of the Seller Interests, such Seller Owner does not hold any assets, properties or rights that relate to or are used or useful in, developed for use, or held for use in connection with, or necessary for the operation of, the Business, whether tangible or intangible, real, personal or mixed.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES CONCERNING SELLER

Except as set forth in the Disclosure Schedule which has been delivered by the Sellers to the Buyer Parties concurrently with the execution hereof (which Disclosure Schedule shall be arranged according to specific sections in this Article 4 and shall provide exceptions to, or otherwise qualify in reasonable detail, only the corresponding section in this Article 4 and any other section hereof where it is reasonably apparent, upon a reading of such disclosure by a reasonably prudent person with knowledge of the industry regarding the matter disclosed, that the disclosure is intended to apply to such other section), each of the Seller Parties, jointly and severally, represents and warrants to and for the benefit of the Indemnified Parties, as of the date hereof, as follows (with the understanding and acknowledgement of the Disclosure Schedule, no Seller and no Subsidiary of any Seller has any employees, customers, offices or other business activities in jurisdictions outside the United States. Each of RGRE, RRJ and RGD is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Georgia. RGV is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Each Seller has the requisite power and authority to own, operate and lease its properties and to carry on its business as now being conducted and as currently contemplated to be conducted by Sellers and except as set forth in Section 4.1 of the Disclosure Schedule, is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary. Except as set forth in Section 4.17(d) of the Disclosure Schedule, no Seller and no Subsidiary of any Seller has any employees, customers, offices or conducts any other business activities in jurisdictions outside the United States. True and complete copies of the Governing Documents of each Seller, including all amendments to such documents, have previously been made available to Buyer. Each Seller has the requisite power and authority to execute, deliver and perform this Agreement and all other agreements and documents required to be executed and delivered by such Seller hereunder (collectively, the “Seller Ownership Ancillary Agreements”) and to consummate the transactions contemplated in the Seller Ancillary Agreements, to the extent it is a party thereto. The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements, and the consummation of the transactions contemplated herein and therein, have been duly and validly authorized by all necessary action on the part of each Seller. This Agreement and each of the Seller Ancillary Agreements has been, or with respect to Seller Ancillary Agreements to be executed at the Closing, will be, duly executed and delivered by each Seller and will constitute, when executed and delivered, a valid and binding obligation of such Seller, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium
or other similar laws relating to creditors’ rights and general principles of equity. Each Seller has obtained all necessary authorizations and approvals from its board of directors, stockholders, manager(s) and members, as applicable, in connection herewith.

4.2 No Conflict or Breach. Except as set forth in Section 4.2 of the Disclosure Schedule, the execution, delivery and performance of this Agreement and the Seller Ancillary Agreements and the consummation of the transactions contemplated herein and therein by each Seller does not and will not (a) conflict with or constitute a violation of the Governing Documents of any Seller, (b) conflict with or constitute a violation of any law, statute, judgment, Order, decree or regulation of any legislative body, court, administrative agency, Governmental Body or arbitrator applicable to or relating to any Seller or the Purchased Assets; or (c) conflict with, constitute a default under, result in a breach or acceleration of or require notice to or the consent of any third party under any Contract, agreement, commitment, lease, mortgage, note, license or other instrument or obligation to which any Seller is party or by which it is bound or by which any of the Purchased Assets are affected. There is no Contract or Order binding upon any Seller or its respective employees that has or could or should be expected to have the effect of prohibiting or impairing the conduct of the Business by Buyer as currently conducted or as contemplated to be conducted by Sellers, or as conducted by Sellers prior to the transfer of the Purchased Assets by Sellers to Buyer. Without limiting the foregoing, no Seller, and no Affiliate or employee of any Seller, has entered into any Contract under which any of them is restricted from selling, licensing or otherwise distributing any of the Purchased Assets, technology or products to, or providing services to, customers or potential customers or any class of customers, in any geographic area, during any period of time or in any segment of Sellers’, Buyer’s or Parent’s market.

4.3 Consents and Approvals. Section 4.3 of the Disclosure Schedule describes (a) each consent, approval, authorization, registration or filing of or with any Governmental Body; and (b) each consent, approval, authorization or notice of or to any other third party, that in the case of either clause (a) or (b) is required (i) in connection with the valid execution and delivery by Sellers of this Agreement or the consummation by Sellers of the transactions contemplated in this Agreement; or (ii) to prevent the transactions contemplated in this Agreement from constituting a default, resulting in a breach or giving rise to an event of acceleration under any Contract, Lien Instrument or Real Property Lease to which any Seller or any Seller Owner is a party or otherwise bound (the items described in clauses (a) and (b), collectively, the “Consents”).

4.4 Capital Structure.

(a) Seller Interests. Section 4.4(a) of the Disclosure Schedule sets forth a true and complete list of the holders of all Seller Interests of each Seller and the percentage ownership of their respective ownership interests in each Seller. As of the date hereof, (i) the Seller Interests set forth in Section 4.4(a) of the Disclosure Schedule represent all issued and outstanding equity securities of, or interests in, each Seller, and (ii) the Seller Interests are held of record by the Seller Owners and other security holders as set forth in Section 4.4(a) of the Disclosure Schedule. Except as set forth in Section 4.4(a) of the Disclosure Schedule, all of the Seller Interests have been duly authorized and validly issued and are fully paid, non-assessable and not subject to any preemptive rights.

(b) Affiliates and Subsidiaries. Section 4.4(b) of the Disclosure Schedule sets forth all of the Affiliates and each of the Subsidiaries of each Seller and, with respect to each, its jurisdiction of organization and the percentage ownership interest so owned by such Seller. Except as set forth in Section 4.4(a) of the Disclosure Schedule, no Seller has any obligation to contribute funds to, or acquire securities from, any Person other than its Subsidiaries. The outstanding equity interests of the Subsidiaries held by each Seller are validly issued and outstanding, fully paid and non-assessable, free and clear of all Liens. Except as set forth in Section 4.4(b) of the Disclosure Schedule, each Seller owns and controls 100% of the equity interests of each of its respective Subsidiaries. Except for the equity interests of the Subsidiaries owned by any Seller, the Subsidiaries have not issued any equity interests and none are outstanding. No rights are authorized, issued or outstanding with respect to the equity interests of the Subsidiaries, and there are no agreements, understandings or commitments relating to the right of Seller to own, to vote or to dispose of said equity interests except the Governing Documents of such Subsidiaries. None of the equity interests of the Subsidiaries has been issued in violation of the preemptive rights of any Person.

(c) Other Securities. Except as set forth in Section 4.4(a) of the Disclosure Schedule, there are no shares of capital stock, membership interests, equity interests or other securities, options, warrants, calls, rights,
commitments, agreements, arrangements or undertakings of any kind to which any Seller or any Subsidiary is a party or by which it is bound obligating any Seller or any Subsidiary to (i) issue, convert, deliver or sell, or cause to be issued, delivered or sold, membership interests, equity interests, shares of capital stock, or other securities of such Seller or any Subsidiary, (ii) issue, grant, extend or enter into any such security, membership interest, option, warrant, call, right, commitment, agreement, arrangement or undertaking or (iii) issue or distribute to holders of any membership interests or equity interests of such Seller or any Subsidiary any evidences of indebtedness or assets of such Seller or any Subsidiary. Except as set forth in Section 4.4(a) of the Disclosure Schedule, no Seller is under any obligation to purchase, redeem or otherwise acquire any of its capital stock, membership interests or other equity interests or any interest therein or to pay any dividend or make any other distribution with respect thereto.

(d) No Agreements. Except as set forth in Section 4.4(a) of the Disclosure Schedule, there are no agreements, written or oral, to which any Seller, any Subsidiary or any Seller Owner is a party, or among any Seller Owners, relating to the issuance, acquisition (including rights of first refusal or preemptive rights), disposition, registration under the Securities Act or voting of capital stock, membership interests, equity interests or other securities of or interests in any Seller or any Subsidiary. There are no agreements, understandings or commitments relating to the right of any Seller to own, to vote or to dispose of equity interests in its respective Subsidiaries except the Governing Documents of such Subsidiaries.

(e) Compliance with Laws. All capital stock, membership interests and other equity interests or rights to acquire shares of stock, membership interests or other equity interests of each Seller and each Subsidiary have been issued in compliance with all applicable securities laws and all other laws. No Seller Owner or any officer or manager of any Seller has violated any fiduciary duties owed to any Seller or any Subsidiary or to their respective holders of equity interests, whether in connection with the transactions contemplated in this Agreement or any other Seller Ancillary Agreement or otherwise.

(f) Purchase Price and Other Payments. Except as set forth in Section 4.4(f) of the Disclosure Schedule, no Person will be entitled to receive or have any claim to a portion of the Purchase Price, or any other payment or consideration as a result of the transactions contemplated in this Agreement or any Seller Ancillary Agreement, other than the Sellers and, by virtue of their ownership of Sellers, the Seller Owners.

4.5 Financial Statements.

(a) Section 4.5(a) of the Disclosure Schedule sets forth (i) the audited consolidated balance sheet of RGV as of December 31, 2013, December 31, 2014 and December 31, 2015, and the related statements of consolidated operations and comprehensive income (loss), changes in members’ equity and cash flows for the fiscal years then ended, together with all related notes and schedules thereto (collectively referred to herein as the “Annual Financial Statements”), and (ii) the unaudited balance sheet of RGV as of December 31, 2016, and the related unaudited statements of consolidated operations and comprehensive income (loss), changes in members’ equity and cash flows for the fiscal year then ended (collectively referred to herein as the “Unaudited Financial Statements”), (the Annual Financial Statements and the Unaudited Financial Statements are collectively referred to herein as the “Financial Statements”). The Financial Statements were prepared in accordance with the books of account and other financial records of Sellers and present fairly and accurately in all material respects the consolidated financial condition and results of operations of Sellers at and for the periods presented. Except as otherwise noted in Section 4.5(a) of the Disclosure Schedule, the Annual Financial Statements have been prepared in accordance with GAAP consistently applied, subject in the case of the Unaudited Financial Statements and the Unaudited Carve-Out Financial Statements of the Business to normal year-end adjustments. Except as otherwise noted in Section 4.5(a) of the Disclosure Schedule, the Unaudited Financial Statements of the Business have been prepared on a basis consistent with the Annual Financial Statements.

(b) Section 4.5(b) of the Disclosure Schedule sets forth the unaudited abbreviated financial statements of the Business, consisting of the balance sheet of the Business as of December 31, 2015 and December 31, 2016, and the related income statement of the Business for the fiscal years then ended (the “Unaudited Carve-Out Financial Statements of the Business”). The Unaudited Carve-Out Financial Statements of the Business (i) were derived from the books of account and other financial records of Sellers and present fairly and accurately in all material respects the consolidated financial condition and results of operations of the Business at and for the periods presented, (ii) reflect the Purchased Assets and Assumed Liabilities, as contemplated by this Agreement, and includes the direct expenses of the Business and the expenses of the Business that have been allocated to the
Business during the periods presented, (iii) have been prepared in accordance with the principles set forth therein, consistently applied throughout the periods covered thereby, (iv) have been prepared in accordance with GAAP, consistently applied throughout the periods covered thereby, (v) were prepared for purposes of this Agreement, (vi) do not misstate in any material respect the revenue, direct expenses and allocated expense of the Business for the periods covered thereby and (vii) were prepared on a basis consistent with the Financial Statements.

(c) Upon delivery of the Audited Carve-Out Financial Statements of the Business in accordance with Section 6.15(b), the Audited Carve-Out Financial Statements of the Business (i) will have been derived from the books of account and other financial records of Sellers and will present fairly and accurately in all material respects the consolidated financial condition and results of operations of the Business at and for the periods presented, (ii) will reflect the Purchased Assets and Assumed Liabilities, as contemplated by this Agreement, and include expenses that have been allocated and applied consistently to the Business during the periods presented, (iii) will have been prepared in accordance with GAAP, consistently applied throughout the periods covered thereby, (iv) will have been prepared for purposes of this Agreement, (v) will not misstate the revenue, direct expenses and allocated expense of the Business for the periods covered thereby and (vi) will have been prepared on a basis consistent with the Financial Statements.

(d) Sellers have no Liabilities except for (i) Liabilities reflected in the Financial Statements and the footnotes thereto, (ii) obligations under Contracts that have been entered into in the ordinary course of the bona fide performance of the Business subsequent to the date of the Financial Statements, (iii) current Liabilities that have arisen after December 31, 2016 in the ordinary course of business and obligations under Contracts that have been entered into in the ordinary course of the bona fide performance of the Business subsequent to the date of the Financial Statements, (iii) current Liabilities that have arisen after December 31, 2016 in the ordinary course of business and which do not involve violations of Law, torts or breaches of contract or warranty, and (iv) Liabilities that are disclosed on Section 4.5(c) of the Disclosure Schedule.

(e) Section 4.5(c) of the Disclosure Schedule sets forth a complete and accurate list and description of all instruments or other documents relating to any direct or indirect Indebtedness of Seller. Sellers have made available to Buyer a true, correct, and complete copy of each of the items required to be listed in Section 4.5(c) of the Disclosure Schedule.

4.6 Brokers. Except as set forth in Section 4.6 of the Disclosure Schedule, no finder, broker, agent or other intermediary has acted for or on behalf of any Seller Party in connection with the transactions contemplated in this Agreement, and no Seller Party has incurred or will incur, directly or indirectly, and there are no claims for, any brokerage commission, finder’s fee or similar payment or charge in connection with the transactions contemplated in this Agreement.

4.7 Taxes. All Tax Returns required to have been filed (taking into account any extensions of time within which to file) by or with respect to any of the Sellers, the Purchased Assets, or the Business have been duly and timely filed, and all such Tax Returns were prepared in all respects in compliance with all applicable laws and are true, correct, and complete in all respects. All Taxes shown to be due on the foregoing Tax Returns or that were otherwise due and payable by any of the Sellers have been timely paid in full. The Sellers have timely and properly withheld with respect to its employees, independent contractors, and other third parties (and timely paid over any withheld amounts to the appropriate Tax authority) all income taxes, Federal Insurance Contribution Act amounts, Federal Unemployment Tax Act amounts and other Taxes as required to be withheld and paid over under applicable law. No deficiencies or adjustments for any Taxes have been proposed or assessed in writing with respect to any Seller, and there is no factual or legal basis for the assessment of any deficiency or adjustment in Taxes with respect to any Seller. There is no audit, examination or other proceeding with respect to any Tax Return of any Seller in progress, or threatened, and no Governmental Body has notified any Seller in writing that it intends to commence any audit, examination or other proceeding with respect to any Tax Return of any Seller. No Seller has requested, offered to enter into or entered into any agreement or other arrangement, or executed any waiver, providing for any extension of time within which (i) to file any Tax Returns, elections, designations or similar filings relating to Taxes with respect to the Purchased Assets or the Business; (ii) it is required to pay or remit any Taxes or amounts on account of Taxes with respect to the Purchased Assets or the Business; or (iii) any Governmental Body may assess or collect Taxes with respect to the Purchased Assets or the Business. No Liens for Taxes exist with respect to any assets or properties of any Seller except for statutory liens for Taxes that are not yet due and payable. There are no unpaid Taxes of any Seller or relating or attributable to the Purchased Assets or the Business for which Buyer or its Affiliates could become liable as a result of the transactions contemplated in
this Agreement. No written claim has been made against any Seller by any taxing authority in a jurisdiction in which such Seller has not filed Tax Returns that it is or may be subject to taxation by that jurisdiction with respect to the Purchased Assets or the Business. Sellers have not participated, within the meaning of Treasury Regulations Section 1.6011-4(b), in any “reportable transaction” under Section 6011 of the Code and the Treasury Regulations thereunder. Sellers have disclosed on their respective Tax Returns all positions therein that could give rise to the accuracy-related penalties of Section 6662 or Section 6662A of the Code or to a similar penalty under the legal requirements of any other taxing jurisdiction, and have otherwise properly disclosed to the appropriate Governmental Body all positions or transactions relating to Taxes that are required to be disclosed under the legal requirements of any jurisdiction to which Sellers are subject. No Seller, nor any of their respective Affiliates, has entered into any agreements (including any closing agreements or Tax abatement or Tax credit agreements) with, or requested or received any Tax ruling from, any taxing authority relating to Taxes which would be binding on Buyer or its Affiliates. None of the Purchased Assets is owned (or deemed to be owned) by any Tax partnership (other than RGV), as defined in Section 761 of the Code and the related Treasury Regulations, or any analogous provision of applicable Tax law. No Seller is a party to or bound by any Tax indemnity, Tax sharing, Tax allocation or similar agreement or arrangement with respect to which the Buyer could otherwise incur any liability after the Closing. Sellers have heretofore made available to Buyer true, correct and complete copies of all of the Tax Returns of Sellers and RGV for the respective tax years ended December 31, 2012, December 31, 2013, December 31, 2014 and December 31, 2015, and all Tax Returns filed since December 31, 2015, and no amendments or other changes have been made thereto since the date of such delivery. Sellers are in compliance with all terms and conditions of any Tax holiday, Tax exemption or other Tax reduction agreement or Order applicable to the Purchased Assets or the Business (each a “Tax Incentive”), and the consummation of the transactions contemplated in this Agreement will not have any adverse effect on the continued validity and effectiveness of any such Tax Incentive.

4.8 Title to Purchased Assets; Liens.

(a) Sellers currently have good and marketable title to all of the Purchased Assets owned by Sellers, and a valid leasehold or other possessory interest in all other Purchased Assets used, operated or occupied by Sellers or located on Sellers’ premises. All of the Purchased Assets will be free and clear of any Liens on or prior to the Closing Date. There are no breaches or defaults under, and no events or circumstances have occurred which, with or without notice or lapse of time or both, would constitute a breach of or a default under, any instrument, agreement or other document that creates, evidences or constitutes any Lien or that evidences, secures or governs the terms of any indebtedness or obligation secured by any Lien (any such instrument, agreement or other document is referred to herein as a “Lien Instrument”). Assuming the timely receipt of all applicable Consents, the sale of the Purchased Assets by Sellers to Buyer will not: (i) constitute a breach of or a default under any Lien Instrument; (ii) permit, cause or result in (with or without notice, lapse of time or both) (A) the acceleration of any Indebtedness or other obligation evidenced, secured or governed by a Lien Instrument, or (B) the foreclosure or other enforcement of any Lien; (iii) permit or cause the terms of any Lien Instrument to be renegotiated; or (iv) require the consent of any party to or holder of a Lien Instrument or of any third party.

(b) Other than as set forth in Section 4.8(b) of the Disclosure Schedule, (i) the Purchased Assets constitute all of the assets, properties, Contracts, permits, rights or other items (other than cash excluded under Section 2.2(a)) that are necessary for the operation of the Business as such Business has been conducted, (ii) the Purchased Assets are adequate to enable Buyer to conduct the Business and use and operate the Purchased Assets in a manner consistent with the past conduct of the Business and use and operation of the Purchased Assets on the date of this Agreement on a stand-alone basis after the Closing and (iii) no Person other than the Sellers owns, or possesses any rights in, any assets, properties, contracts, permits, rights (including intellectual property rights) or other items that are not included in the Purchased Assets but are necessary for the ongoing operation of the Business as such Business has been conducted and as such Business is currently contemplated to be conducted by Sellers.

4.9 Real Property.

(a) Owned. No Seller owns any real property.

(b) Leased.

(i) Section 4.9(b) of the Disclosure Schedule contains a true and correct description of all real property leased, subleased or occupied by Sellers (the “Leased Real Property”), of all leases, including all amendments, exhibits and schedules incorporated therein, relating to the Leased Real Property (collectively, the

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“Real Property Leases”), including the name of the lessor, the name of the lessee, the address of the real property subject to the Real Property Lease, the term of the Real Property Lease, and rent payable under the Real Property Lease (including base rent and additional rent, however characterized), the amount of any security deposit by the lessee under each Real Property Lease currently held by the lessor, the rights of lessee to assign the Real Property Lease, or sublet any portions of the Leased Real Property, and of all Liens upon or affecting Sellers’ rights to or interest in any of the Leased Real Property or any Real Property Lease (other than Liens imposed on the landlord of such real property).

(ii) The Leased Real Property comprises all of the real property used in or contemplated to be used in the Business.

(iii) Except as set forth in Section 4.3 of the Disclosure Schedule, no consent is required from the lessor or any other Person under any Real Property Lease to consummate the transactions contemplated in this Agreement and the Seller Ancillary Agreements or to transfer the Real Property Leases that are to be transferred to the Buyer Parties at Closing in accordance with this Agreement.

(iv) Except as set forth in Section 4.9(b) of the Disclosure Schedule, (A) no Seller has sublet, or granted to any other person any right of use, operation or occupancy of, any of the Leased Real Property, nor has any Seller agreed to do so, orally or in writing; (B) the Real Property Lease is not a sublease of any other real property superior in interest to the Real Property Lease; (C) no Seller has sold, transferred or assigned, or granted any Lien on or otherwise encumbered, all or any portion of its interest under any Real Property Lease, nor has any Seller agreed to do so, orally or in writing; and (D) no Person has a superior or any sub-leasehold interest in, and no Person (other than Sellers) has any right to use, operate or occupy, any Leased Real Property.

(v) Sellers have made available to Buyer true, correct and complete copies of (A) all of the Real Property Leases; and (B) all Lien Instruments with respect to or affecting any of the Leased Real Property or any Real Property Lease (other than Liens imposed on the landlord of such real property). Each of the Real Property Leases is valid, binding and enforceable in accordance with its terms and is in full force and effect, free and clear of any Liens, and, except as set forth in Section 4.9(b)(v) of the Disclosure Schedule, there are no offsets or defenses by either landlord or tenant thereunder. There are no existing breaches of or defaults by any Seller under, and no events or circumstances have occurred which, with or without notice or lapse of time or both, would constitute a breach of or a default under, any of the Real Property Leases by any Seller or any Affiliate of any Seller or any other Person.

(vi) The premises, fixtures, furnishings, and equipment located on the Leased Real Property are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted, are adequate and suitable for the purposes for which they are currently being used and currently contemplated to be used. No material improvements constituting a part of the current Leased Real Property encroach on real property not leased by Sellers to the extent that removal of such encroachment would materially impair the manner and extent of the current use, occupancy and operation of such improvements.

(vii) There are no actual, threatened or contemplated condemnation or eminent domain proceedings that affect the Leased Real Property or any part thereof, and no Seller Party has received any notice in respect thereof from any Governmental Body.

(viii) The past and current use or occupancy of the Leased Real Property by Sellers and their Affiliates and the conduct of the Business as currently conducted and contemplated to be conducted do not violate any easement, covenant, condition, restriction or similar provision in any instrument of record or other unrecorded agreement affecting such Leased Real Property.

(ix) No security deposit or portion thereof deposited with respect to the Real Property Leases for the Leased Real Property has been applied in respect of a breach or default under such Real Property Leases which has not been redeposed in full.

4.10 Tangible Personal Property. Section 4.10 of the Disclosure Schedule sets forth a true and complete list of all equipment and other tangible personal property owned or leased by, in the possession of, or necessary, used or useful for the conduct of the Business by Sellers as currently conducted and currently contemplated to be conducted and having, individually, a book value in excess of $1,000, or in the aggregate with all other similar items, a book value in excess of $5,000 and, regardless of value, all personal computers (including
laptops) that are used or held for use by the Business Employees (the “Tangible Personal Property”). Each item of Tangible Personal Property is in good condition and repair (ordinary wear and tear excepted). No Seller has received notice that any of the Tangible Personal Property or its operation has been or is in violation of any Rules. During the past three years, there has not been any interruption of the operations of the Business due to a deficiency, or the inadequate maintenance, of the Tangible Personal Property for which any Customer credit or refund was granted or which lasted more than three hours during ordinary business hours of the Business. Except as set forth in Section 4.10 of the Disclosure Schedule, none of the Tangible Personal Property used in the Business is held under any lease, security agreement or conditional sales contract. Section 4.10 of the Disclosure Schedule sets forth a list and reasonably detailed description of all Tangible Personal Property that is not owned or leased by any Seller. Sellers have good and marketable title to all of the Tangible Personal Property owned by Sellers, and a valid leasehold or other possessory interest in all other Tangible Personal Property used, operated or occupied by Sellers or located on or within the Leased Real Property. Sellers have made available to Buyer true and complete copies of all Tangible Personal Property leases or other documentation memorializing any Seller Party’s possessory interest in such Tangible Personal Property.

4.11 Contracts.

(a) Section 4.11(a) of the Disclosure Schedule lists all (i) written Contracts and a summary of all oral Contracts to which any Seller is party or by which any Seller or any of its assets is bound or affected, other than Lien Instruments, Real Property Leases or any such Contracts that do not involve expenditures or receipts by Seller in excess of $5,000 per annum (other than Contracts with Customers and Suppliers) and (ii) Contracts with each Material Customer or Material Supplier (excluding, in each case, Contracts that relate exclusively to the Retained Business). Sellers have made available to Buyer true and complete copies of all Assumed Contracts. Exhibits D-1 through D-5 set forth the form of Standard Customer Contract that Sellers have used in selling or offering products and services in the operation of the Business. Except as identified in Section 4.11(a) of the Disclosure Schedule, all Contracts with Material Customers have been executed using the form of Standard Customer Contract.

(b) Each of the Assumed Contracts has been and currently is valid, binding and enforceable in accordance with its terms (subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors’ rights and general principles of equity) and is in full force and effect and no counterparty to any Assumed Contract is in default under such Assumed Contract. Each Seller and each other party to the Assumed Contracts have performed their obligations thereunder, and none of Sellers or any other party thereto is in default thereunder, nor has there occurred any event or circumstance which with notice or lapse of time or both would constitute a default or event of default on the part of any Seller or any other party thereto or give to any other party thereto the right to terminate or modify any such agreement, as the result of such default. Assuming timely receipt of the applicable Consents or other required notices, the sale of the Purchased Assets by Sellers to Buyer will not, with respect to any Assumed Contract, (i) constitute a default thereunder; (ii) require the consent of any Person; or (iii) affect the continuation, validity or effectiveness of any Assumed Contract. No party has released any of its rights under any Assumed Contract or any portion thereof; no party has given any notice of its intention to terminate or has otherwise sought to repudiate or disclaim any Assumed Contract; and there is no dispute regarding the validity or scope of any such Assumed Contract, or performance under any such Assumed Contract, including with respect to any payments to be made or received by any Seller thereunder. Except as set forth in Section 4.11(b)(i) of the Disclosure Schedule, no party to any Assumed Contract has notified any Seller of its intent to terminate an Assumed Contract or to assert any right to renegotiate or repudiate the terms or conditions of any Assumed Contract or any portion thereof.

4.12 Restrictions on Business Activities. Except as set forth in Section 4.12 of the Disclosure Schedule, (a) none of the Assumed Contracts impose on any Seller or any Affiliate of any Seller (i) any non-compete or exclusivity obligation; (ii) any non-solicitation obligation; (iii) any restriction on the ability of Buyer to purchase the Purchased Assets; (iv) any restrictions on the ability of Buyer to operate the Business in the manner in which the Business has been or is currently conducted by Sellers, nor any restriction on Sellers’ or, after the Closing, Buyer’s operation of the Business in any geographic area; (v) any “most favored nations” or similar obligation to offer terms included in or based on another Contract; or (vi) any consent to assignment requirements other than as set forth in Section 4.3 of the Disclosure Schedule; and (b) no Seller is subject to any Rule under
which such Seller is restricted from selling, licensing or otherwise distributing any of its products or from providing services to customers in any manner consistent with past practices.

4.13 Receivables. All accounts receivable and trade accounts of the Business (the “Receivables”) are bona fide, legal, valid and binding obligations, and are enforceable in full at face value. All Receivables represent products delivered or services actually performed by Sellers in the conduct of the Business in the ordinary course and are deemedcollectible (net of the reserve established and shown on the Audited and Unaudited Carve-Out Financial Statements of the Business). Deferred revenues are presented on the Unaudited Carve-Out Financial Statements of the Business and the Audited Carve-Out Financial Statements of the Business, in accordance with GAAP, with respect to Sellers’ (a) billed but unearned Receivables; (b) previously billed and collected Receivables still unearned; and (c) unearned customer deposits. Section 4.13(a) of the Disclosure Schedule lists all Receivables as of December 31, 2016. Section 4.13(b) of the Disclosure Schedule lists all accounts payable of the Business as of December 31, 2016, together with an aging thereof. At the Closing Date, all accounts payable will have been incurred in exchange for goods or services delivered or rendered to Sellers in the ordinary course of the Business.


(a) As used in this Agreement, the following terms shall have the following respective meanings:

(i) “Business Intellectual Property” means any and all Technology and any and all Intellectual Property Rights, including Business Registered Intellectual Property, owned (in whole or in part) or purported to be owned (in whole or in part) by, licensed to or otherwise controlled by, or purported to be licensed to or otherwise controlled by, any Seller that is related to or used in, or developed for use or held for use in connection with, the Business.

(ii) “Business Registered Intellectual Property” means all of the Registered Intellectual Property owned by, filed in the name of, or applied for by or on behalf of, any Seller or any of its Subsidiaries that relates to or used in, or developed for use or held for use in connection with, the Business.

(iii) “Intellectual Property Right(s)” means any or all of the following and all rights in, arising out of, or associated therewith: (A) all United States and foreign patents and utility models, including utility patents, design patents, plant patents and plant variety protection certificates, and all registrations and applications therefor and all reissuances, re-examinations, corrections, renewals, extensions, provisional continuations in-part thereof, and other derivatives and certificates associated therewith, and equivalent or similar rights anywhere in the world in inventions and discoveries, including invention disclosures (“Patents”); (B) all trade secrets and other rights in know-how that are confidential and proprietary information (including ideas, research and development, inventions, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, discoveries, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans, proposals and methods) throughout the world (“Trade Secrets”); (C) all copyrights, copyright registrations and applications therefor and all other rights corresponding thereto throughout the world (“Copyrights”); (D) all mask works, mask work registrations and applications therefor, and any equivalent or similar rights (“Mask Works”); (E) all industrial designs and any registrations and applications therefor throughout the world; (F) all rights in domain names and applications and registrations therefor (“Domain Names”); (G) all trade names, trade dress, logos or other corporate designations, common law trademarks and service marks, trademark and service mark registrations and applications therefor and all goodwill associated therewith throughout the world (“Trademarks”); (H) to the extent not covered by subsections (A) through (G) above, works of authorship, computer programs, source code and executable code, whether embodied in software, firmware or otherwise; and (I) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world, including, publicity rights and moral rights (including any right to claim authorship to or to object to any distortion, mutilation, other modification or derogatory action in relation to a copyrightable work, whether or not such would be prejudicial to the author’s reputation, and any similar right, existing under common or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or generally referred to as a moral right).

(iv) “Registered Intellectual Property” means any and all United States, foreign, national and international: (A) Patents; (B) registered Trademarks, applications to register Trademarks, including intent to use applications, or other registrations or applications related to Trademarks; (C) Copyrights registrations
and applications to register Copyrights; (D) Mask Work registrations and applications to register Mask Works; (E) Domain Name registrations; and (F) any other Intellectual Property Rights related thereto that are the subject of an application, certificate, filing, registration or other document issued by, filed with, or recorded by, any state, government or other public or private legal authority at any time.

(v) "Technology" means any or all of the following: (A) products or services of any Seller and any works of authorship, including computer programs, source code and executable code, whether embodied in software, firmware or otherwise, documentation, designs, files, net lists, formulas, records, data and mask works; (B) inventions (whether or not patentable), ideas, improvements, discoveries, developments, designs and techniques, information regarding plans for research, and technology; (C) proprietary and confidential information, including technical data and customer and supplier lists and information related thereto, financial analyses, marketing and selling plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, general intangibles, trade secrets and know-how (provided that the foregoing shall exclude confidential information and other business and financial information to the extent they pertain solely to Excluded Assets or Excluded Liabilities); (D) databases, data compilations and collections and technical data; (E) logos, trade names, trade dress, trademarks and service marks; (F) domain names and websites; (G) tools, services, methods and processes; and (H) all instances of the foregoing in any form and embodied in any media.

(b) Section 4.14(b) of the Disclosure Schedule sets forth a complete and accurate list of (i) all Business Registered Intellectual Property, (ii) all unregistered Copyrights in computer software that are included in the Business Intellectual Property, and (iii) all unregistered Trademarks included within the Business Intellectual Property. For each of the foregoing, the listing shall include (w) the respective application or serial number (if applicable), (x) the date of any such application and registration, the jurisdiction(s) in which each such right either exists or, for registrations and applications thereto, in which each such right either exists or, for registrations and applications thereto, the jurisdiction(s) in which each such right either exists or, for registrations and applications thereto, the jurisdiction(s) in which each such right either exists or, for registrations and applications thereto, the jurisdiction(s) in which each such right either exists or, for registrations and applications thereto, (y) an identification of whether the right is solely owned by, jointly owned by, or exclusively licensed by any Seller, and (z) a brief summary of any proceedings or actions before any court, tribunal (including the United States Patent and Trademark Office (the “PTO”) or equivalent authority anywhere in the world) related thereto.

(c) All necessary fees, including all registration, maintenance, issuance and renewal fees, in connection with the Business Registered Intellectual Property have been paid and all necessary documents and certificates in connection with the Business Registered Intellectual Property have been filed with the relevant patent, copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purposes of maintaining such Business Registered Intellectual Property. There are no actions that must be taken by any of the Seller Parties or the Buyer within 120 days of the Closing Date, including the payment of any registration, maintenance or renewal fees or the filing of any responses to office actions, documents, applications or certificates for the purposes of obtaining, maintaining, perfecting or preserving or renewing any Business Registered Intellectual Property. Without limiting the foregoing, no Seller Party has taken any action or allowed any event to occur, and none of the Seller Parties is aware of any event or circumstances, which would set a United States patent bar date within 120 days of the Closing Date. A United States patent bar date includes any date by which any Seller Party must file a patent application in order to preserve the right and ability to seek patent protection for an invention in the United States. No third party is in breach of any non-disclosure agreement signed with any of the Seller Parties or of any confidentiality terms of any agreement signed with any of the Seller Parties. In each case in which any Seller has acquired any Technology or Intellectual Property Right from any Person, such Seller has obtained a valid and enforceable written assignment sufficient to irrevocably transfer the Technology and all rights in such Technology including all associated Intellectual Property Rights (including the right to seek past and future damages with respect thereto) to such Seller. To the maximum extent allowed by law, and in accordance with, applicable laws and regulations, each Seller has recorded each such assignment of Registered Intellectual Property assigned to such Seller with the relevant Governmental Body, including the PTO, the U.S. Copyright Office, or their respective equivalents in any relevant foreign jurisdiction, as the case may be. No Seller has claimed a particular status, including “Small Business Status,” in the application for any Intellectual Property Rights, which claim of status was at the time made, or which has since become, inaccurate or false or that will no longer be true and accurate as a result of the Closing.

(d) Each item of Business Intellectual Property is valid, subsisting and enforceable and there has not been any act or omission by any of the Seller Parties that has had an adverse effect, or could have an adverse effect, on the validity or enforceability of any Business Intellectual Property. None of the Seller Parties has any
knowledge of any information, materials, facts, or circumstances, including any information or fact that would constitute prior art, that would render any Business Intellectual Property invalid or unenforceable, or would adversely affect any pending application for any Business Registered Intellectual Property, and none of the Seller Parties has misrepresented, or failed to disclose any fact or circumstances in any application for any Business Registered Intellectual Property that would constitute fraud or a misrepresentation with respect to such application or that would otherwise affect the validity or enforceability of any Business Registered Intellectual Property.

(e) Except as disclosed in Section 4.14(e) of the Disclosure Schedule, (i) there have been and currently are no outstanding options, licenses, agreements, claims, Liens, encumbrances or shared ownership of interests of any kind relating to any Business Intellectual Property, and (ii) no Seller Party is bound by or to any party to any options, licenses or Contracts of any kind with respect to the Intellectual Property Rights of any other Person.

(f) Except as disclosed in Section 4.14(f) of the Disclosure Schedule, upon and after the Closing, all Business Technology and Business Intellectual Property, including all licenses and Contracts to which any Seller is a party with respect to any Intellectual Property Rights, will be fully transferable, alienable or licensable by Buyer without restriction and without payment of any kind to any third party.

(g) The Business Intellectual Property includes all of the intellectual property rights used in or necessary for the operation of the Business as it currently is conducted or is contemplated to be conducted, including but not limited to the design, development, use, disclosure, import, branding, advertising, promotion, marketing, license, manufacture, sale, license and distribution or other provision of the products, services or other Technology of any Seller or Business Intellectual Property (including such Technology Business Intellectual Property currently under development). To the extent that any Business Intellectual Property or other Technology that is owned, possessed, used or controlled by any Seller has been developed or created by a third party or any Seller Owner, such Seller has a written agreement with all such third parties and with each Seller Owner with respect thereto and such Seller either (i) has obtained ownership of, and is the exclusive owner of, or (ii) with respect to such third parties and not any Seller Owner, has obtained a license (sufficient for the conduct of its Business as currently conducted and as proposed to be conducted) to all such third party’s Intellectual Property Rights in such Business Intellectual Property or other Technology by operation of law or by valid assignment or license, to the fullest extent it is legally possible to do so, with rights to freely assign all such third party Intellectual Property Rights, and except in connection with the matters set forth in Section 4.14(i)(1) of the Disclosure Schedule, without the requirement of payment of any royalty or other fee.

(h) With the exception of “shrink wrap” or similar generally available commercial end user licenses, all Technology or Intellectual Property Rights used in or necessary for the conduct of the Business as presently conducted or currently contemplated to be conducted by the Buyer Parties after the Closing, was written and created solely by either (i) employees of Sellers acting within the scope of their employment or by the Seller Owners who have validly, irrevocably and exclusively assigned to Sellers all of their rights to such Technology, including all Intellectual Property Rights therein, to Sellers or (ii) third parties who have validly, irrevocably and exclusively assigned all of their rights to such Technology, including Intellectual Property Rights therein, to Sellers, and no third party owns or has any rights to any of such Technology.

(i) Except as set forth in Section 4.14(i)(A) of the Disclosure Schedule, each employee, officer, contractor, agent, consultant and each Seller Owner who contributed to the creation or development of the Business Intellectual Property has executed a proprietary information and inventions agreement sufficient to transfer all right, title and interest in and to such Business Intellectual Property, in the form attached to Section 4.14(i)(B) of the Disclosure Schedule. No employees, officers, contractors, agents, consultants or Seller Owners are in violation thereof, and no Seller Party has any reason to believe otherwise. No such employee, officer, contractor, agent, consultant or Seller Owner included a list of prior inventions that relate in any way to the Business, claimed or retained any property interest in such development related in any way to the Business or otherwise modified such agreement in a manner adverse to any Seller. No current or former director, officer, employee, consultant, agent or contractor of any Seller Party (including each Seller Owner) will, after giving effect to each of the transactions contemplated herein, own or retain any rights in or to, or have the right to receive any royalty or other payment with respect to, any of the Business Intellectual Property Rights used or owned by any Seller.

(j) No employees of any Seller Party are obligated under any Contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any Order of any Governmental Body,
that would interfere with any employee using his or her best efforts to promote the interests of any Seller or that would conflict with the Business as conducted in the past by the Seller Parties or as presently conducted by Sellers.

(k) Each Seller Party has taken the commercially reasonable steps required to protect Sellers’ rights in confidential information and Trade Secrets of Sellers and in any other confidential information and Trade Secrets provided by any other Person to Sellers. No Seller Party has provided any confidential information related to the Business Intellectual Property to a third party except pursuant to non-disclosure or other confidentiality agreements in a form sufficient to protect the Intellectual Property Rights embodied in such confidential information. No Seller Party is under any contractual or other obligation to disclose to any third party any Business Intellectual Property.

(l) No Person who has licensed Technology or Intellectual Property Rights to any Seller has ownership rights or license rights to improvements or derivative works made by any Seller in such Technology or Intellectual Property Rights.

(m) No Seller Party has transferred ownership of, or granted any exclusive license of or right to use, or authorized the retention of any exclusive rights to use or joint ownership of, any Technology or Intellectual Property Right that is or was Business Intellectual Property, to any other Person.

(n) Other than any outbound “shrink wrap” licenses in the form set forth in Section 4.14(n) of the Disclosure Schedule and inbound “shrink wrap” and similar publicly available commercial binary code end user licenses, Section 4.14(n) of the Disclosure Schedule lists all Contracts to which any Seller is a party with respect to any Technology or Intellectual Property Rights. No Seller Party is in breach of, nor has any Seller Party failed to perform under in any respect, any of the foregoing Contracts and no other party to any such Contract is in breach thereof or has failed to perform thereunder. None of the foregoing Contracts prohibits assignment, or requires consent of any Person to assign, to Buyer in connection with the transactions contemplated in this Agreement.

(o) Section 4.14(o) of the Disclosure Schedule lists all Contracts between any Seller Party, on the one hand, and any other Person, on the other hand, wherein or whereby such Seller Party has agreed to, or assumed, any obligation or duty to warrant, indemnify, reimburse, hold harmless, guaranty or otherwise assume or incur any obligation or liability or provide a right of rescission with respect to the infringement or misappropriation of the Intellectual Property Rights of any Person.

(p) There are no licenses or other Contracts between any Seller, on the one hand, and any other Person, on the other hand, with respect to the Business Intellectual Property under which there is any dispute regarding the scope of such agreement, or performance under such agreement, including with respect to any payments to be made or received by any Seller or a Subsidiary of any Seller thereunder.

(q) The operation of the Business as it currently is conducted or is contemplated to be conducted by Sellers, including but not limited to the design, development, use, disclosure, import, branding, advertising, promotion, marketing, license, manufacture, sale, license and distribution or other provision of the products, services or other Technology of Sellers or Business Intellectual Property (including such Technology Business Intellectual Property currently under development) does not and will not when conducted by the Buyer Parties in substantially the same manner following the Closing infringe or misappropriate any Intellectual Property Right of any Person, violate any right of any Person (including any right to privacy or publicity, or any contract right arising under terms of service, terms of use, privacy policy or otherwise) or constitute unfair competition or trade practices under the laws of any jurisdiction, and, except as set forth in Section 4.14(q) of the Disclosure Schedule, no Seller Party has received notice from any Person claiming that such operation or any act, product, or service or other Technology of Sellers or Business Intellectual Property (including such Technology or Business Intellectual Property currently under development) infringes or misappropriates any Intellectual Property Right of any Person or constitutes unfair competition or trade practices under the laws of any jurisdiction, nor does any basis therefor exist.

(r) There is no pending or threatened action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative or investigative) involving any of the Seller Parties commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body to which any of the Seller Parties is a party claiming that such Seller Party has violated, misappropriated or infringed any Intellectual Property Rights of any Person and no Seller Party has received any communications alleging that any of them has violated, misappropriated or infringed or, by conducting the Business as proposed, would violate, misappropriate or infringe
any Intellectual Property Rights of any other Person and no Seller Party is aware of any basis for such an allegation or of any reason to believe that such an allegation may be forthcoming. No Person has infringed or misappropriated, or is infringing or misappropriating, or is making any unauthorized use of, any Business Intellectual Property. No Seller Party has brought any action, suit or proceeding for infringement of any Business Intellectual Property or breach of any license or other Contract involving any Business Intellectual Property and no Seller Party currently has any plans to do so.

(s) Except as set forth in Section 4.14(s) of the Disclosure Schedule, no Business Intellectual Property or Technology of the Sellers is subject to any proceeding or outstanding decree, Order, judgment or settlement agreement or stipulation that restricts in any manner the use, transfer or licensing thereof by any Seller or may affect the validity, use or enforceability of such Business Intellectual Property or Technology as owned or used by the Buyer Parties after the Closing, or that will restrict the rights of any Buyer Party, upon or after the Closing, to use, transfer, license or enforce any of the Business Intellectual Property or such Technology or restrict the conduct of the Business or limit any right of any of the Buyer Parties to compete in any line of business or to compete with or solicit any Person.

(t) Except as set forth in Section 4.14(t) of the Disclosure Schedule, no (i) product, technology, service or publication of any Seller, (ii) material displayed, published or distributed by any Seller or (iii) conduct or statement of any Seller constitutes obscene material, a defamatory statement or material, false advertising or otherwise violates in any material respect any law or regulation.

(u) The Business Intellectual Property constitutes all the Technology and Intellectual Property Rights used in or necessary for the conduct of the Business as it currently is conducted (or as it would be conducted if conducted separately from the Retained Business), including the design, development, manufacture, use, disclosure, import, branding, advertising, promotion, marketing, sale, license and distribution of products or other Technology of Sellers, including performance of services (including such Technology currently under development and provision of such products, Technology and services to the real estate industry, including to managers and owners of single family and multifamily properties).

(v) No Seller Party has conducted the Business, or used or enforced (or failed to use or enforce) the Business Intellectual Property, in a manner that would result in the abandonment, cancellation, unenforceability or diminishment of any item of the Business Intellectual Property or any registrations related thereto, and the Seller Parties have not taken (or failed to take) any action that would result in the forfeiture, relinquishment or diminishment of any of the Business Intellectual Property Rights or of any registrations related thereto.

(w) Except as disclosed in Section 4.14(w) of the Disclosure Schedule, none of the execution, delivery and performance of this Agreement, the performance by the Seller Parties of their obligations hereunder, or the consummation of the transactions contemplated in this Agreement, including the assignment to Buyer of any Contracts to which any Seller is a party, will result in (i) any third party being granted rights or access to, or the placement in or release from escrow, of any Business Intellectual Property, (ii) the granting to any third party of any right, title or interest to or with respect to any Intellectual Property Rights owned by, or licensed to, Sellers (including any Intellectual Property Rights purported to be assigned to the Buyer Parties hereunder) pursuant to any agreement to which any Seller is a party or by which it is bound, (iii) the Buyer Parties being bound by, or subject to, any non-compete or other restriction on the operation or scope of their respective businesses, including on the operation or scope of the Business by the Buyer Parties following the Closing, (iv) any restriction on the ability of the Buyer Parties to share information relating to their ongoing business or operations, (v) the Buyer Parties being obligated to pay any royalties, fees, honoraria or other amounts to any third party in excess of those payable by any Seller prior to the Closing Date pursuant to Contracts to which such Seller is a party or by which it is bound; (vi) a breach of or default under any instrument, license or other Contract governing any Intellectual Property Rights owned by or licensed to any Seller; (vii) the forfeiture or termination of, or give rise to a right of forfeiture or termination of, any Intellectual Property Rights owned by or licensed to any Seller; or (viii) the impairment of any Buyer Party’s right, before or after the Closing, to use, develop, make, have made, offer for sale, sell, import, copy, modify, create derivative works of, distribute, license, or dispose of any Intellectual Property Rights owned by or licensed to any Seller or portion thereof.

(x) Section 4.14(x)(1) of the Disclosure Schedule contains a true and complete list of all products, services and technology offerings (including software) made commercially available, marketed,
distributed, sold or licensed out by or on behalf of Sellers relating to the Business (“Seller Products”), Section 4.14(x)(2) of the Disclosure Schedule contains a true and complete list of all of the software programs included in or developed for inclusion in Sellers’ products by any Seller or any third party (including all software programs embedded or incorporated in Sellers’ products) (the “Incorporated Software”), including (i) for each item, an indication of whether the Incorporated Software is Public Software; (ii) for each item of Incorporated Software that is not Public Software, a reference to the Contract pursuant to which the Incorporated Software has been licensed to any Seller; and (iii) for each item of Incorporated Software that is Public Software, (a) the name of the Public Software library or other program, (b) the license name or license type (including version number) pursuant to which any Seller or such third party has received a license to the Public Software, (c) the URL for the download site from which any Seller or such third party obtained the Public Software (d) for Public Software that is Copyleft Public Software, indication of whether the Public Software has been hosted, distributed or modified by or for any Seller or such third party and (e) a summary of any current or future royalty, support fee or other payment that after the Closing will be owed by or due from Buyer to Sellers or any third party as a result of the inclusion of Incorporated Software programs in any Seller Product. The Purchased Assets include all software, Technology and Intellectual Property Rights previously developed, used or provided by or on behalf of any of the Seller Parties or their affiliates in connection with the operation of the Business. Except as listed in Section 4.14(x)(2) of the Disclosure Schedule, the Seller Products do not contain any Incorporated Software or Public Software. “Public Software” means any software that contains, includes, incorporates, or has instantiated therein, or is derived in any manner (in whole or in part) from, any software that is distributed as free software, open source software (e.g., Linux) or similar licensing or distribution models, including software licensed or distributed under any of the following licenses or distribution models, or licenses or distribution models similar to any of the following: (1) GNU’s General Public License (GPL) or Lesser/Library GPL (LGPL); (2) the Artistic License (e.g., PERL); (3) the Mozilla Public License; (4) the Netscape Public License; (5) the Sun Community Source License (SCSL); (6) the Sun Industry Standards License (SISL); (7) the BSD License; (8) the Apache License; and (9) the Affero General Public License. “Copyleft Public Software” means Public Software subject to a license that requires, as a condition of use, hosting, modification or distribution, that such Public Software, or modifications or derivative works thereof, be made available or distributed in source code form or be licensed for the purpose of preparing derivative works or distribution at no fee. Copyleft Public Software includes Public Software subject to (y) the GNU’s General Public License (GPL) or Lesser/Library GPL (LGPL); (w) the Mozilla Public License; (x) the Sun Industry Standards License (SISL); (y) the Affero General Public License; and (z) to the extent applied to software, all Creative Commons “sharealike” licenses.

(y) Section 4.14(xv) of the Disclosure Schedule contains a list of all Contracts in which any Seller has agreed to place Business Intellectual Property into escrow and, upon the occurrence of certain events specified in such Contracts to release such source code to a third party. Except for the source code escrow obligations described in the immediately preceding sentence, no Seller Party has licensed, distributed or disclosed, is obligated to license, distribute or disclose, or has any knowledge of any distribution or disclosure by any third party of, the source code for any Business Intellectual Property. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time, or both) will, or could reasonably be expected to, nor will the consummation of the transactions contemplated herein, result in the disclosure or release of such source code by any Seller Party or escrow agent(s) or any other Person to any third party.

(z) Each Seller employs commercially reasonable measures to ensure that the Seller Products, the Business Intellectual Property or any Technology of the Business do not contain any Viruses or other unpatched security vulnerabilities. The Seller Products, the Business Intellectual Property, the Technology of the Business and the computer systems that are necessary for the operation of the Business do not contain any Viruses. For purposes of this Agreement, “Virus” means any computer code intentionally designed to disrupt, disable, or harm in any manner the operation of any software or hardware or to allow a third party to have access to the user’s computer or network without such user’s authority.

(aa) Sellers’ databases and the source code for the Seller Products, the Business Intellectual Property and any Technology of the Business constitute Trade Secrets of Sellers and Sellers currently use and the Seller Parties have used in the past commercially reasonable efforts, at least in conformance with general industry standards, to maintain the confidentiality of the databases and Seller Product, the Business Intellectual Property and any Technology of the Business source code and to restrict access to the databases and Seller Product, the Business Intellectual Property and any Technology of the Business source code except to those Persons that have a legitimate
business for accessing the databases and Seller Product, the Business Intellectual Property and any Technology of the Business source code and that have executed a confidentiality agreement prohibiting the disclosure of the databases and Seller Product, the Business Intellectual Property and any Technology of the Business source code without the express written authorization of Sellers.

(bb) All data, images and works of authorship that have been collected, stored, maintained or otherwise used by Sellers have been collected, stored, maintained and used in accordance with all applicable U.S. and foreign laws, rules, regulations, guidelines, contracts, and industry standards. No Seller Party has received a notice of any currently uncured noncompliance with applicable laws, rules, regulations, guidelines or industry standards regarding data protection, copyrights or trademarks. Each Seller has made all registrations that such Seller is required to have made in relation to the processing of data, and is in good standing with respect to such registrations, with all fees due within 90 days of the date hereof duly made. Each Seller’s practices are, and have always been, in compliance with (i) its then-current privacy policy, including the privacy policy posted on such Seller’s websites, (ii) its customers’ privacy policies, to the extent applicable, and (iii) third party website terms, when required to do so by contract or use. Each Seller has implemented and maintained appropriate and reasonable measures to protect and maintain the confidential nature of any Personal Information. Each Seller has adequate technological and procedural measures in place to protect Personal Information collected by such Seller against loss, theft and unauthorized access or disclosure. Each Seller has the full power and authority to transfer any and all rights in any individual’s Personal Information in such Seller’s possession or control to Buyer. Except as set forth in Section 4.14(bb) of the Disclosure Schedule, none of the Seller Parties is subject to any obligation that would prevent the Buyer Parties from using the Personal Information in a manner consistent with any law or industry standard regarding the collection, retention, use, or disclosure of such information. No Seller Party is subject to any obligation that would prevent any Seller from using the Personal Information in the operation of the Business as has been conducted in the past by Sellers, as is currently conducted by Sellers, or as contemplated to be conducted after the Closing by the Buyer Parties. Without limiting the foregoing, each Seller is in compliance with, and third party social media users are in compliance with, all Contracts, posted policies, and terms and conditions of use of any online social media services, such as Facebook, directly or indirectly applicable to the Business, including the (i) collection or provision of data, (ii) purchase, promotion, sale, license, or other distribution of Sellers’ products or other Technology, (iii) provision or consumption of services to or by Sellers’ customers or potential customers, or (iv) any other aspect of the operation of the Business; and the transactions contemplated in this Agreement shall not cause any Seller or any third party social media user to be in violation or breach of any such Contract, posted policies or terms and conditions of use.

(cc) No government funding, facilities or resources of a university, college, other educational institution or research center or funding from third parties were used in the development of the Business Intellectual Property and no Governmental Body, university, college, other educational institution or research center has any claim or right in or to the Business Intellectual Property.

(dd) Section 4.14(dd) of the Disclosure Schedule sets forth a list of all computer systems owned, leased or licensed by any Seller that are necessary for the operation of the Business. Each Seller owns, leases or licenses all computer systems that are necessary for the operation of the Business. In the past 12 months, there has been no failure or other substandard performance of any computer systems that has caused any disruption to the Business. Each Seller has taken commercially reasonable steps to provide for the back-up and recovery of data and information and has commercially reasonable disaster recovery plans, procedures and facilities and, as applicable, has taken commercially reasonable steps to implement such plans and procedures. Each Seller has taken reasonable actions to protect the integrity and security of its computer systems and the software information stored thereon from unauthorized use, access, or modification by third parties.

(ee) As of the Closing Date, the list of Licensed Software set forth on Schedule A to the License Agreement includes only Software that is common to the Business and the Retained Business, and does not include any Software that is exclusive to the Business.

4.15 Litigation. Except as set forth in Section 4.15 of the Disclosure Schedule, there have not been, and there currently are no, claims, charges, complaints, actions, suits, settlements, hearings, investigations, proceedings, or governmental or regulatory inquiries ("Claims") pending or threatened against any Seller, any Seller Owner in connection with the Business, the Purchased Assets or the Business. Except as set forth in Section 4.15 of the Disclosure Schedule, there have not been, and currently are no, Claims initiated by any Seller pending,
or that any Seller intends to initiate, against any other Person related to the Business, the Purchased Assets or any Business Intellectual Property. No Seller has received any Claim, nor is any Claim threatened, regarding a violation of securities laws, breach of fiduciary duty or similar violation by any of the respective officers, managers, members, directors or employees of any Seller.

4.16 Compliance.

(a) No Seller is in violation of any law, statute, rule, regulation, ordinance, Order or licensing requirements of any Governmental Body (collectively, “Rules”) applicable to the Business or any Seller or by which the Purchased Assets or any of the properties or assets of such Seller or the Business are bound, and no Seller or Seller Owner has been notified by any Governmental Body of any violation, or any review or investigation with respect to the violation, of any such Rule. No investigation or review by any Governmental Body is pending or has been threatened against any Seller or the Business.

(b) The Seller Parties and their respective predecessors and Affiliates have complied with and are in compliance with all applicable Rules and Orders, and no proceeding has been filed, commenced or threatened alleging any failure so to comply. No Seller Party has received any notice or communication from any Governmental Body alleging any such non-compliance.

(c) Sellers have complied with all privacy policies and guidelines relating to Personal Information. True and correct copies of all applicable privacy and security policies and guidelines of Sellers have been made available to Buyer. Sellers have made all notices and disclosures to customers required by applicable Rules. Sellers have taken steps reasonably necessary (including implementing and monitoring compliance with respect to technical, administrative and physical safeguards) to protect Personal Information and systems from which Personal Information can be created, viewed, displayed, accessed, retrieved, stored or transmitted, against loss or destruction, and against unauthorized access, use, transfer, modification, or disclosure or other misuse and to otherwise comply with applicable Rules. There has been no unauthorized disclosure, access to or transfer of or other misuse of Personal Information required to be reported to any customer of a Seller, affected individual or Governmental Body and Sellers have not been required to provide any breach notification or report any security incidents to any customer of a Seller, affected individual or Governmental Body as required under any applicable Rule.

(d) Each Seller has established and implemented such policies, programs, procedures, contracts and systems as are required of such Seller to be in compliance with all Rules, including privacy, electronic transactions and security standards for Personal Information.

4.17 Permits; Export and Import Laws; Export Proceedings; Foreign Operations.

(a) Permits. Each Seller holds, to the extent required by applicable Rules, all franchises, permits, certificates, licenses, consents, filings, sanctions, registrations, variances, exemptions, orders, authorizations and approvals from, and has made all declarations and filings with, all Governmental Bodies (“Governmental Permits”) for the operation of the Business as conducted in the past or as presently conducted including the sale, transport, export, import or shipment of any items or materials (whether in tangible form or otherwise) to any jurisdiction. No suspension or cancellation of any such Governmental Permit is pending or threatened. Each such Governmental Permit is valid and in full force and effect, and Seller is in compliance with the terms of such Governmental Permits. Section 4.17(a) of the Disclosure Schedule provides a complete list of all Governmental Permits held by each Seller.

(b) Export and Import Laws. No Seller has violated any applicable U.S. Export and Import Laws, nor made a voluntary disclosure with respect to any violation of such laws. Each Seller has been and is in compliance with all applicable Foreign Export and Import Laws. Each Seller has prepared and timely applied for all import and export licenses required in accordance with U.S. Export and Import Laws and Foreign Export and Import Laws for the conduct of the Business. Each Seller has at all times been in compliance with all applicable laws relating to trade embargoes and sanctions, and no product, service or financing provided by Seller has been, directly or indirectly, provided to, sold to or performed for or on behalf of Cuba, Iran, Libya, North Korea, Sudan, Syria, or any other country or Person against whom the United States maintains economic sanctions or an arms embargo.

(c) Export Proceedings. There is no export or import related proceeding, investigation or inquiry pending or threatened against any Seller or any officer or director thereof (in their capacity as an officer or
director of such Seller) by or before (or, in the case of a threatened matter, that would come before) any Governmental Body.

(d) **Foreign Operations.** Except as set forth in Section 4.17(d) of the Disclosure Schedule, none of the Sellers nor any of their Subsidiaries (i) conducts or has conducted operations of any kind outside of the United States, (ii) has any revenue from any source outside the United States, or (iii) has executed or performed any Contract outside the United States.

4.18 **Health, Safety and Environmental Matters.**

(a) Each Seller is in compliance with all applicable Rules relating to public health and safety, worker health and safety and pollution and protection of the environment, including all Environmental Laws, and no Claim, demand or notice has been made, given, filed, commenced or threatened by any Person against any Seller alleging any failure to comply with any Environmental Law or seeking contribution towards, or participation in, any remediation of any contamination of any property or thing with Hazardous Materials. Each Seller has obtained, and is in compliance with all of the terms and conditions of, all Governmental Permits that are required under any Environmental Law and is in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables that are contained in any applicable Environmental Law.

(b) There are no circumstances that violate Rules, or could reasonably be expected to result in future non-compliance or liability under applicable Rules, in each case relating to public health and safety, worker health and safety and pollution and protection of the environment, including the Environmental Laws. No physical condition exists on or under any property that may have been caused by or impacted by the operations or activities of any Seller that could give rise to any investigative, remedial or other obligation under any Environmental Law or that could result in any kind of liability to any third party claiming damage to Person or property as a result of such physical condition.

(c) All properties and equipment used by Sellers in the Business are and have been free of Hazardous Materials except for any Hazardous Materials in small quantities found in products used by any Seller for office or janitorial purposes stored, used and disposed of in compliance with applicable Environmental Laws.

(d) Sellers have provided to Parent true and complete copies of all internal and external environmental audits and studies in their possession or control relating to each Seller and its operations and all correspondence in its possession or control on substantial environmental matters relating to each Seller and its operations.

4.19 **Insurance.** Each Seller has been covered since its formation by insurance in scope and amount customary and reasonable for businesses of the same size and nature and with similar risk exposures as the Business. Section 4.19 of the Disclosure Schedule contains a true, correct and complete list of all policies of fire and casualty, property and other liability, worker’s compensation and other forms of insurance maintained by each Seller with respect to the Business or any Purchased Asset, including the name of the insured, the name of the insurance carrier, the policy number, and the amount and nature of coverage provided, copies of which have been made available to Parent. All such policies have been and currently are in full force and effect and all premiums due and payable for periods prior to the Closing Date under such policies have been paid or will be paid when due. No notice of cancellation of any such policies has been received; and such policies are sufficient for compliance with all applicable Rules, the Assumed Contracts, Lien Instruments and Real Property Leases. Except for amounts deductible under policies of insurance and as described in Section 4.19 of the Disclosure Schedule, no Seller has been or is subject to liability as a self-insurer. Except as set forth in Section 4.19 of the Disclosure Schedule, there are no claims pending or threatened under any of such policies and there are no disputes between any Seller and any of the underwriters of said policies.

4.20 **Labor and Employment Matters.**

(a) **No Termination.** Certain key employees of Sellers and/or their Affiliates are listed on Schedule 4.20(a) (each a “Key Employee” and collectively the “Key Employees”). No Key Employee has indicated an intention or plan to terminate his, her or their employment with any of Sellers or their Affiliates (other than in connection with the acceptance of an offer of employment by Buyer).

(b) **Employees.** (i) No present or former employee of any Seller or applicant for employment, has claimed that such Seller is in violation of any term of any employment Contract or compensation agreement,
plan or arrangement or is in violation of any applicable law relating to the employment relationship; (ii) no third party has claimed that any present or former employee of any Seller has breached his or her duties under any patent disclosure agreement, confidentiality agreement, non-solicitation agreement, noncompetition agreement or any other restrictive covenant running in favor of such third party; (iii) no third party has claimed that any present or former employee of any Seller has interfered in the relationship between such third party and any of its present or former employees or contractors; and (v) no present or former employee of a Seller has disclosed any Trade Secret, information or documentation proprietary to any current or former employer or other third party, or violated any confidential relationship with any such third party in connection with the development, manufacture or sale of any product, or the development or sale of any service, of a Seller. Section 4.20(b) of the Disclosure Schedule sets forth (i) a complete list of all individuals employed by Sellers and their Affiliates as of the date of this Agreement that are engaged in the Business and the approximate percentage of each such individual’s time devoted to each of the Business and the Retained Business (the individuals set forth on such schedule are each a “Business Employee” and are collectively referred to as the “Business Employees”), (ii) first date of employment with the applicable Seller, (iii) the current compensation of any kind or description whatsoever for each such employee, including but not limited to base salary or hourly rate, severance arrangements or fringe or other benefits paid by any Seller and expected and maximum potential target bonuses or other incentive compensation, whether payable in cash or in kind, (iv) wage and hour classification for each employee, (v) the name, title, position and business unit that is applicable to such employee, (vi) visa status, (vii) whether such individual is currently employed, on leave relating to work-related injuries and/or receiving disability benefits under any Seller Benefit Plan, and (viii) any payments or benefits required or anticipated to be made or provided by such Seller to any such employee in connection with the transactions contemplated in this Agreement or any other change of control transaction, including, without limitation, cash payments, forgiveness of indebtedness, assumption of tax liability, severance benefits or vesting acceleration, and any agreement or understanding between or among such Seller and any such employee relating to any such payment or benefit. On or immediately prior to the Closing Date, Sellers shall update Section 4.20(b) of the Disclosure Schedule to reflect any new hires, terminations or departures of Business Employees (and the individuals appearing on such updated schedule shall be deemed to be Business Employees for purposes of this Section 4.20 and Section 6.4). Except as set forth in Section 4.20(b) of the Disclosure Schedule, no Business Employee is subject to any agreements under which he or she will receive any employee wages, incentive compensation in the form of cash, equity or any other property, or other benefits and there are no severance payments or other payments that are or could become payable to any Business Employee under the terms of any oral or written agreement or commitment or any Rule, custom, trade or practice as a result of the transactions contemplated in this Agreement or the Ancillary Agreements.

(c) Labor Unions. None of the Business Employees is represented by a labor union, and no Seller is either subject to, or negotiating, any collective bargaining or similar agreement with respect to any of the Business Employees. There is no labor dispute, strike, work slowdown, work stoppage or other labor trouble (including any organizational drive) against any Seller pending or threatened. No Seller has agreed to recognize any labor union or other collective bargaining representative, nor has any labor union or other collective bargaining representative been certified as the exclusive bargaining representative of any Business Employee. There is no question concerning representation as to any labor union or other collective bargaining representative with respect to any Business Employee, and no labor union or other collective bargaining representative claims to or is seeking to represent any Business Employee. No union organizational campaign or representation petition is currently pending or threatened or reasonably anticipated with respect to any Business Employee. There is no unfair labor practice charge or proceeding pending against any Seller before the National Labor Relations Board.

(d) Legal Compliance. No Seller, Business Employee or representative of any Seller has committed or engaged in any unfair labor or illegal employment practice in connection with the conduct of the Business, and there is no action, suit, claim, charge or complaint against any Seller or any employee or representative of any Seller pending or threatened or reasonably anticipated relating to any employment, labor, safety, whistleblower, or discrimination matters, including charges or complaints of unfair labor practices, discrimination, retaliation, or wrongful discharge. Sellers are in compliance with all applicable laws relating to employment, including laws relating to employment discrimination, retaliation, wrongful discharge, labor relations, fair employment practices, proper classification of employees and independent contractors, payment of wages and overtime, leaves of absence, disability accommodation, immigration, employee benefits, and affirmative action. All
Business Employees are legally authorized to work in the United States and Sellers and the Business Employees have properly completed and retained I-9 forms. No federal, state, or local agency responsible for the enforcement of labor and employment laws is conducting or intends to conduct an investigation with respect to or relating to Sellers.

(e) **WARN Act.** Prior to and as of the Closing, no Seller has had any plant closings, mass layoffs or other terminations of any Business Employees which would create any obligations upon or liabilities for such Seller under the federal Worker Adjustment and Retraining Notification Act ("WARN") or any equivalent state or local laws. No Seller is a party to any agreements or arrangements or subject to any requirement that in any manner restricts such Seller from relocating, consolidating, merging or closing, in whole or in part, any portion of the business of Seller, subject to applicable law.

(f) **Employment Agreements.** Except as set forth on Section 4.20(f) of the Disclosure Schedule, no Seller is bound by any written employment agreements or commitments to any Business Employees, other than on an at-will basis.

4.21 **Employee Benefits.**

(a) Section 4.21(a) of the Disclosure Schedule lists each Employee Benefit Plan that any Seller, any ERISA Affiliate or professional employer organization maintains or to which any Seller or any ERISA Affiliate contributes or is a participating employer and in or under which any Business Employee participates is entitled to receive benefits (collectively, the “**Seller Benefit Plans**”). With respect to each Seller Benefit Plan, the Sellers have delivered, or otherwise caused delivery of, to Buyer true and complete copies of all plan documents and, if available, summary plan descriptions, the most recent determination letter (or opinion letter) received from the IRS, all Form 5500 Annual Reports, and all related trust agreements associated with such Seller Benefit Plan.

(b) With respect to each Seller Benefit Plan (and each related trust, insurance contract or fund), none of Sellers nor any ERISA Affiliate would be subject to any liability under ERISA, the Code or any other applicable law by reason of any event which has occurred or any set of circumstances which exists other than routine obligations under the terms of the applicable Seller Benefit Plan, such as the obligation to make contributions to such Seller Benefit Plan.

(c) Each Seller Benefit Plan (and each related trust, insurance contract or fund) has been administered and operated in accordance with the terms of the applicable controlling documents and with the applicable provisions of ERISA, the Code and all other applicable laws. Each Seller Benefit Plan (including any amendments thereto) that requires by law approval by, or registration for or qualification for special tax status with, the appropriate taxation, social security or supervisory authorities in the relevant jurisdiction, has received such approval, registration or qualification or there remains a period of time in which to obtain such approval, registration or qualification retroactive to the date of any amendment that has not previously received such approval, registration or qualification.

(d) (i) All reports, descriptions and disclosures required by law with respect to each Seller Benefit Plan have been filed or distributed appropriately and in accordance with applicable law and (ii) where required by applicable law, the requirements of Part 6 of Subtitle B of Title I of ERISA and of Section 4980B of the Code have been met with respect to each Seller Benefit Plan that is a group health plan.

(e) All contributions (including all employer contributions and employee salary reduction contributions) that are due and owing have been timely paid by Sellers and their Affiliates as applicable with respect to each Seller Benefit Plan (or related trust or held in the general assets of Sellers and accrued, as appropriate), and all required contributions for any period ending on or before the Closing Date that are not yet due will have been paid by Sellers and their Affiliates as applicable with respect to each Seller Benefit Plan (or related trust) or accurately accrued in accordance with GAAP on or before the Closing Date. All premiums or other payments that are due and owing by Sellers and their Affiliates as applicable for all periods ending on or before the Closing Date will have been timely paid by Sellers and their Affiliates as applicable with respect to each Seller Benefit Plan that is an Employee Welfare Benefit Plan on or before the Closing Date.

(f) Each Seller Benefit Plan that is an Employee Pension Benefit Plan and that is intended to meet the requirements of a “qualified plan” under Section 401(a) of the Code meets such requirements and has either received or applied for (or has time remaining to apply for) a favorable determination letter (or, in the case of
a prototype plan, an opinion letter) from the Internal Revenue Service within the applicable remedial amendment periods, and no such determination letter or advisory letter has been revoked nor has revocation been threatened.

(g) No Seller Benefit Plan maintained or contributed to during the six-year period preceding the Closing Date by any Seller or any ERISA Affiliate is subject to the minimum funding requirements of Section 412 of the Code or subject to Title IV of ERISA.

(h) No Seller Benefit Plan provides any medical, health or life insurance or other welfare type benefits for current or future retired or terminated employees, their spouses or their dependents (other than in accordance with Section 4980B of the Code) that cannot be unilaterally terminated by the Sellers or an ERISA Affiliate.

(i) None of any Seller, any ERISA Affiliates, nor any employee or representative of any Seller or any ERISA Affiliate, has made any oral or written representation or commitment with respect to any aspect of any Seller Benefit Plan that is not in accordance with the written or otherwise preexisting terms and provisions of such Seller Benefit Plan. Neither any Seller nor any ERISA Affiliate has entered into any Contract with any trade union, works council or other employee representative body or any number or category of its employees that would prevent, restrict or impede the implementation of any lay off, redundancy, severance or similar program within its or their respective workforces (or any part of them).

(j) There are no unresolved claims or disputes under the terms of, or in connection with, any Seller Benefit Plan (other than routine claims for benefits), and no legal action has been commenced with respect to any such claim or dispute.

(k) With respect to each Seller Benefit Plan that any Seller, ERISA Affiliate or professional entity organization maintains or ever has maintained or to which any of them contributes or has ever contributed:

   (i) There have been no Prohibited Transactions with respect to any such Seller Benefit Plan that would subject any Seller to a tax or penalty imposed pursuant to Section 4975 of the Code or Section 502(c)(i) or (l) of ERISA.

   (ii) No Seller Party (by way of indemnification, directly or otherwise) has and no fiduciary has any liability for breach of fiduciary duty or any failure to act or comply in connection with the administration or investment of the assets of any Seller Benefit Plan.

   (iii) No Seller Party has received notice that any action, suit, proceeding, hearing or investigation with respect to the administration or the investment of the assets of any Seller Benefit Plan (other than routine claims for benefits) is pending or threatened, and there is no basis for any such action, suit, proceeding, hearing or investigation.

(l) Other than as described Section 4.21(l) of the Disclosure Schedule, neither the execution and delivery of this Agreement or any Ancillary Agreement to which any Seller is a party nor the consummation of the transactions contemplated herein or therein will, either alone or together with any other event (i) result in any “excess parachute payments” within the meaning of Section 280G(b) of the Code or (ii) require a “gross-up” or other payment to any “disqualified individual” within the meaning of Section 280G(c) of the Code.

(m) No Seller Benefit Plan is funded with or allows for payments, investments or distributions in any employer security of any Seller, including, but not limited to, employer securities as defined in Section 407(d)(1) of ERISA, or employer real property as defined in Section 407(d)(2) or ERISA.

(n) None of Sellers or any ERISA Affiliate contributes to, or has any obligation (contingent or otherwise) to contribute to, or has any liability (contingent or otherwise, including withdrawal liability as defined in Section 4201 of ERISA) under or with respect to any (i) Employee Benefit Plan that is a “defined benefit plan” as defined in Section 3(35) of ERISA or (ii) any Multiemployer Plan.

(o) No asset of any Seller is subject to any Lien under ERISA or the Code.

(p) Except as set forth in Section 4.21 of the Disclosure Schedule, no Seller Benefit Plan constitutes a “non-qualified deferred compensation plan” within the meaning of Section 409A of the Code; and such Seller Benefit Plan which is subject to Section 409A of the Code has been operated in compliance with Section 409A of the Code.
4.22 Absence of Certain Changes. Except as set forth in Section 4.22 of the Disclosure Schedule, since December 31, 2015, unless stated otherwise, each Seller has conducted its operations and the Business in the ordinary course consistent with past practices, and no Seller has:

(a) suffered a Material Adverse Change;
(b) experienced any damage, destruction or loss to or of any of the assets or properties owned or leased by any Seller related to the Business or any Purchased Asset;
(c) failed to use commercially reasonable efforts to preserve intact the Business and to keep available the services of the present officers, managerial personnel and key employees or independent contractors of such Seller and preserve its relationships with customers;
(d) failed to use commercially reasonable efforts to maintain its assets in their current condition, except for ordinary wear and tear, or failed to repair, maintain, or replace any of its equipment in accordance with the normal standards of maintenance applicable in the industry;
(e) failed to use commercially reasonable efforts to renew any Material Customer Contract;
(f) entered into any Contract related to the Business or the Purchased Assets outside the ordinary course of business;
(g) received any cancellation notice or notice of non-renewal under any Customer Contract, or since December 31, 2015 reduced the overall pricing or made any change to the detriment of such Seller, with respect to any Contract with a Material Customer;
(h) entered into or modified any standstill or non-compete contracts under which such Seller is the obligor, or modified or waived any of its rights under any existing standstill or non-compete contract under which such Seller is the beneficiary;
(i) transferred, granted any license or sublicense of any rights under or with respect to any of its Intellectual Property, other than in the ordinary course of business consistent with past practice;
(j) made or pledged to make any charitable or other capital contribution in excess of $5,000;
(k) adopted, terminated or amended, modified or terminated (or otherwise caused any of the foregoing with respect to) any Employee Benefit Plan, made any contribution with respect to any Employee Benefit Plan (other than regularly scheduled contributions) or materially increased in any manner the compensation or benefits of any manager, officer, director, or employee or other personnel (whether employees or independent contractors) or granted any equity or equity based awards, other than in the ordinary course of business;
(l) made any oral or written representation or commitment (or caused any of the foregoing) with respect to any aspect of any Employee Benefit Plan that is not in accordance with the existing written terms and provision of such Employee Benefit Plan;
(m) terminated any employee other than in the ordinary course of business consistent with past practice;
(n) hired or appointed any new officers, directors or material exempt employees except (i) to replace existing employees at similar compensation levels or (ii) for any new employees hired in the ordinary course of business;
(o) entered into any new intercompany transaction, agreement, arrangement, or understanding with, directly or indirectly, any manager, officer or director or Affiliate, or made any payment or distribution to any of the foregoing other than advances to directors, officers and employees of Seller in the ordinary course of business and consistent with past practices of Seller not to exceed, in the aggregate, $25,000, in any case, other than compensatory payments in the ordinary course of business;
(p) acquired (including by merger, consolidation, or the acquisition of any equity interest or assets) or sold (whether by merger, consolidation, the sale of an equity interest or assets), leased, assigned, licensed, loaned, pledged, transferred, or disposed of any Person or any assets or rights except for fair consideration in the ordinary course of business and consistent with past practice or, even if in the ordinary course of business and consistent with past practices, whether in one or more transactions;
(q) mortgaged, pledged, or subjected to any Lien any of its assets;
(r) made any loans, advances or capital contributions to, or investment in, any other Person in excess of $5,000;
(s) entered into any joint ventures, strategic partnerships or alliances;
(t) (i) changed its independent public accountants, if any, (ii) changed its depreciation or amortization policies or rates, (iii) changed its standard invoicing or billing practices and procedures or, (iv) except as required by GAAP, applicable Rules, or circumstances which did not exist as of such date, changed any of the accounting principles or practices used by it;
(u) changed its practices and procedures with respect to the collection of accounts receivable or offered to discount the amount of any account receivable or extended any other incentive (whether to the account debtor or any employee or third party responsible for the collection of receivables) with respect thereto;
(v) made, declared, paid or set aside assets for any dividend or otherwise declared or made any other distribution with respect to its equity interests, or directly or indirectly purchased, redeemed or otherwise acquired any equity interests, shares of capital stock or other securities, as applicable, of such Seller;
(w) incurred or guaranteed any Indebtedness, issued any debt securities or rights to acquire debt securities, or entered into any arrangement having the economic effect of any of the foregoing;
(x) failed to pay any Indebtedness or any other accounts payable as it became due, or changed its existing practices and procedures for the payment of Indebtedness or other accounts payable;
(y) (i) paid, discharged or satisfied any claim, liability or obligation (absolute, accrued, asserted, unasserted, contingent or otherwise), other than immaterial claims, liabilities or obligations arising in the ordinary course of business, (ii) prepaid or cancelled any amount of Indebtedness for borrowed money, or (iii) paid or agreed to pay any amount in settlement, or cancelled, compromised, waived or released any right or claim, including rights under or pursuant to, any matter involving actual or threatened claims against such Seller, other than immaterial rights or claims in the ordinary course of business;
(z) incurred or committed to incur any capital expenditures, capital additions or capital improvements in excess of $5,000 for any individual commitment or $25,000 in the aggregate;
(aa) made any payment or agreement relating to the surrender, cancellation, amendment or agreement not to exercise any option, warrant, profits interest or other right to acquire equity or equity-linked securities issued by such Seller;
(bb) made any Tax election that is inconsistent with past practices, changed any Tax election, changed any annual accounting period, adopted or changed any accounting method with respect to Taxes, filed any amended Tax Return, entered into any closing agreement, settle or compromise any proceeding with respect to any Tax claim or assessment, surrendered any right to claim a refund of Taxes, consented to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to Seller, or taken any other similar action relating to the filing of any Tax Return or the payment of any Tax; or
(cc) authorized, approved, agreed to or made any commitment, orally or in writing, to take any of the foregoing actions or to take any actions prohibited by this Agreement.

4.23 Absence of Certain Business Practices. No Seller, nor any employee, manager, officer, director or Affiliate of any of them, or any other Person acting on behalf of any Seller, has, with respect to, on behalf of or to otherwise further the interests of any Seller, (a) used funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, (b) made any direct or indirect unlawful payment to foreign or domestic government officials or employees, (c) established or maintained any unlawful or unrecorded funds or other assets or to foreign or domestic political parties or campaigns or violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or the OECD Convention on Combating Bribery of Foreign Public Officials in Business Transactions; (d) made any bribe, kickback or other unlawful payment or (e) made any favor or gift which is not, in good faith, believed by such Person to be fully deductible for any income tax purposes and which was, in fact, so deducted.
4.24 Related Party Transactions. Except as set forth in Section 4.24 of the Disclosure Schedule, no Related Party (a) has borrowed money from or loaned money or equipment to any Seller that is currently outstanding or otherwise has any cause of action or claim against such Seller, (b) has any direct or indirect ownership interest in any property or asset used or developed by or for any Seller in the conduct of the Business except through such Person’s ownership of Seller Interests, (c) has or has had any direct or indirect ownership interest in, or served as an officer, director, employee or consultant of, any Person which is a present competitor, supplier or customer of the Business or (d) is a party to any agreement or is engaged in any ongoing transaction with any Seller other than employment in the ordinary course of the Business.

4.25 Customers and Suppliers. Section 4.25(a) of the Disclosure Schedule lists all customers (each a “Customer”) of the Business for the 12-month period ended December 31, 2016, based on and listing the gross sales. The 100 largest Customers (as determined by gross sales for the 12-month period ended December 31, 2016) listed on Section 4.25(a) of the Disclosure Schedule shall be referred to as the “Material Customers” and individually as a “Material Customer.” Each Customer has entered into a Contract governing its relationship with Seller (each such Contract, a “Customer Contract”) and all of such Contracts have been executed in writing, are valid and binding (subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors’ rights and general principles of equity), and except as set forth in Section 4.11(a) of the Disclosure Schedule true, correct and complete copies have been made available to Buyer. Except as set forth in Section 4.25(a) of the Disclosure Schedule, (i) all Customer Contracts have terms no less favorable to Sellers than as follows: (A) no restriction on assignment by Sellers; (B) limitation of Sellers’ liability no greater than the amount of fees paid to Sellers during the preceding 12 months; (C) no “most favored nation” or similar clause; (D) no restriction on Sellers’ competitive activities; (E) no right for any Customer to recover indirect, special, consequential or other non-direct damages and (F) no less favorable data rights than set forth in the form of Standard Customer Agreement and (ii) all Customer Contracts otherwise conform in all material respects with the applicable forms of Standard Customer Agreements attached as Exhibits D-1 through D-5. Section 4.25(b) of the Disclosure Schedule lists the 50 largest suppliers or vendors of the Business for the 12-month period ended December 31, 2016 (each a “Material Supplier”), based on and listing the gross purchases (rounded to the nearest $1,000). Each Material Supplier has entered into a Contract governing its relationship with Seller (each such Contract, a “Material Supplier Contract”) and all of such Material Supplier Contracts have been executed in writing and are valid and binding, and except as set forth in Section 4.11(a) of the Disclosure Schedule true, correct and complete copies have been made available to Buyer. Except as set forth in Section 4.11(b)(i) of the Disclosure Schedule, no Material Customer or Material Supplier has canceled, terminated or otherwise modified, or threatened or requested to cancel, terminate or otherwise modify, its relationship with any Seller during the 12 months immediately preceding the Closing Date or has during such 12-month period decreased, or threatened or requested to decrease or limit, its business with any Seller or the Business for any reason, including as a result of the consummation of the transactions contemplated in this Agreement and the Seller Ancillary Agreements.

4.26 Product and Service Warranties. Each product or service sold, licensed, distributed or offered in connection with the Business is in conformity with all applicable contractual commitments and all express warranties. No product sold, licensed, distributed or delivered by any Seller is subject to any guaranty, warranty or other indemnity beyond the applicable standard terms and conditions of sale or lease, except for such guarantees, warranties and indemnities that are implied under applicable law and not disclaimable.

4.27 Powers of Attorney. There are no outstanding powers of attorney executed on behalf of any Seller related to the Business or any Purchased Asset that are presently in effect.

4.28 Preferences; Solvency. Each of the following statements is, and, after giving effect to the transactions contemplated in this Agreement and the other Seller Ancillary Agreements and upon any distribution of any contemplated assets of Sellers to a liquidating trust or to Sellers’ creditors and equityholders, each of the following statements will be true and correct:

(a) The aggregate value of all assets of Sellers or any such liquidating trust at their respective then present fair saleable values exceeds the amount of all of the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of Sellers, on a consolidated basis, or such liquidating trust. For purposes of this Section 4.28, “present fair saleable value” means the amount that may be realized within a reasonable time through a sale within such period by a capable and diligent businessman from an interested buyer who is willing to purchase under ordinary selling conditions. In determining the present fair saleable value of
Sellers’ contingent liabilities (such as litigation, guarantees and pension plan liabilities) on a consolidated basis, Sellers have considered such liabilities that could possibly become actual or matured liabilities.

(b) No Seller or any such liquidating trust is insolvent as such term is used in Sections 547 and 548 of the United States Bankruptcy Code and all other applicable preference, fraudulent transfer or fraudulent conveyance laws, statutes, rules or regulations applicable to any Seller or such liquidating trust.

(c) The consideration received by Sellers hereunder constitutes reasonably equivalent consideration for Sellers entering into the transactions contemplated in this Agreement.

4.29 No Competitor Technology; No Violation of Agreements with Certain Competitors. Without limiting the generality of any other representations or warranties contained in this Agreement, the Purchased Assets do not contain, in any electronic or hard copy form, any Technology or other confidential or proprietary information or property originating from Yardi Systems, Inc., MRI Software LLC, Entrata Inc., CoStar Group, Inc., or any of their respective predecessors, successors, assigns, parent companies, subsidiaries, or affiliated organizations, or any past or present officers, directors, partners, shareholders, agents, representatives, servants or employees of any of them (each, a “Specified Competitor”) (any such Technology or other confidential or proprietary information or property originating from a Specified Competitor is referred to as “Competitor Technology”). No Seller has breached any contract between such Seller and any of the Specified Competitors.

(a) No Competitor Technology is required to operate the Business as currently conducted by Sellers.

(b) In the operation of its Business as currently conducted by Sellers, Sellers’ products and services interface with Specified Competitor software applications and databases only through standard interfaces, generally made available by such Specified Competitors to their customers, and not through a custom-built interface.

(c) Except as set forth in Section 4.29 of the Disclosure Schedule, since January 1, 2012, Seller has not, directly or through any subcontractor or other third party, provided any consulting or similar services regarding Yardi Technology, or otherwise operated as a member of any consultant network of Yardi.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER PARTIES

Each Buyer Party represents and warrants to each Seller Party as follows:

5.1 Organization and Good Standing. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

5.2 Authority. Each Buyer Party has the requisite power and authority to execute, deliver and perform this Agreement and all other agreements and documents required to be delivered by such Buyer Party hereunder (collectively, the “Buyer Party Agreements”) and to consummate the transactions contemplated in this Agreement and the Buyer Party Agreements. The execution, delivery and performance of this Agreement and the Buyer Party Agreements and the consummation of the transactions contemplated herein and therein have been duly and validly authorized by all necessary corporate action on the part of such Buyer Party. Each of the Buyer Party Agreements has been, or with respect to Buyer Party Agreements to be executed at the Closing will be, duly executed and delivered by such Buyer Party, and each constitutes or will constitute when executed and delivered a valid and binding obligation of such Buyer Party, enforceable against such Buyer Party in accordance with its terms.

5.3 No Conflict or Breach. The execution, delivery and performance of this Agreement and the Buyer Party Agreements do not and will not (a) conflict with or constitute a violation of the Certificate of Incorporation or Bylaws (or equivalent Governing Documents) of either Buyer Party; or (b) conflict with or constitute a violation of any law, statute, judgment, Order, decree or regulation of any Governmental Body or arbitrator applicable to or relating to either Buyer Party, excluding from the foregoing clause (b) such conflicts or violations that would not, individually or in the aggregate, (A) prevent or materially delay consummation of the
transactions contemplated herein, (B) otherwise prevent or materially delay performance by such Buyer Party of its material obligations under this Agreement; or (c) cause a material adverse effect on the Buyer Parties.

5.4 **Governmental Approvals.** Other than with respect to filings under the HSR Act, no consent, approval, authorization, registration or filing with any federal, state or local judicial or Governmental Body or administrative agency is required in connection with the valid execution and delivery by either Buyer Party of this Agreement or the Buyer Party Agreements or the consummation by such Buyer Party of the transactions contemplated in this Agreement or the Buyer Party Agreements.

5.5 **Brokers.** No finder, broker, agent or other intermediary has acted for or on behalf of either Buyer Party in connection with the transactions contemplated in this Agreement, and there are no claims for any brokerage commission, finder’s fee or similar payment due from such Buyer Party.

5.6 **Sufficiency of Funds.** On the Closing Date, Buyer or Parent will have cash on hand or other sources of available funds in an aggregate amount sufficient to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement.

5.7 **Legal Proceedings.** There are no actions, suits, claims, investigations, or other legal proceedings pending or, to Buyer’s knowledge, threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated in this Agreement.

**ARTICLE 6**

**COVENANTS**

6.1 **Conduct of Business Pending the Closing.** At all times from the execution of this Agreement until the Closing or the date, if any, on which this Agreement is terminated pursuant to Section 8.1, except as may be required by law or as expressly provided otherwise in this Agreement, each Seller shall, and each Seller Owner shall cause each Seller to, operate the Business in the ordinary course consistent with past practice in all material respects and in compliance with all applicable Rules and to use best efforts to preserve substantially intact the Business and the goodwill of the Business. Furthermore, with respect to the Business, each Seller agrees not to take any of the following actions (and to cause its Subsidiaries not to take such actions), except as expressly permitted by this Agreement or pursuant to the transactions contemplated herein, or to the extent Buyer shall have consented in writing:

(a) sell, lease, license or otherwise dispose of (i) any of the Purchased Assets, other than in the ordinary course of business, or (ii) any of the capital stock of or other member or equity interests in any Seller;

(b) mortgage or pledge any of the Purchased Assets or subject any of the Purchased Assets to any Lien;

(c) enter into or amend any Assumed Contract other than in the ordinary course of the Business consistent with past practice;

(d) except as required pursuant to new Contracts entered into in the ordinary course of business, make or commit to make capital expenditures relating to the Business;

(e) authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation or dissolution of any Seller; or

(f) agree in writing or otherwise to take any action inconsistent with the foregoing requirements.

6.2 **Tax Matters.**

(a) Sellers, collectively on the one hand, and Buyer, on the other hand, shall each be responsible for and pay 50% of all sales, use, stamp, documentary, recording, value added, goods and services, bulk sales, excise, registration, conveyance and real estate and other transfer Taxes and fees incurred, if any, due as a result of the purchase, sale or transfer of the Purchased Assets contemplated in this Agreement whether imposed by law on any Seller or Buyer ("Transfer Taxes"). The Party required by applicable law to file any necessary documentation or Tax Returns with respect to such Transfer Taxes the ("Transfer Tax Filing Party") shall do so in the
time and manner so required, and shall pay all Transfer Taxes reflected on such documentation or Tax Returns and the non-Transfer Tax Filing Party shall reimburse the Transfer Tax Filing Party for 50% of such Transfer Taxes within 10 days of receipt of reasonable evidence of the amount of such Transfer Taxes. Upon the request of the Party that is not the Transfer Tax Filing Party, the Transfer Tax Filing Party shall furnish the non-Transfer Tax Filing Party with proof of such payment. The Parties shall cooperate as reasonably requested in the preparation and filing of such Tax Returns and to minimize the amount of such Transfer Taxes, including, as applicable, providing appropriate documentation, obtaining certificates of exemption, and transferring by electronic means any Purchased Assets susceptible to such transfer.

(b) Subject to Section 6.2(a), Section 6.2(c) and Section 6.2(d), each Seller shall be responsible for the preparation and timely filing of all Tax Returns of such Seller required to be filed for any Tax period, including all Tax Returns required to be filed with respect to the Business or the Purchased Assets for any Pre-Closing Tax Period. Such Tax Returns shall be true, complete and correct and prepared in accordance with applicable law and past practices (except as required by applicable law). Any disputes with respect to such Tax Returns shall be resolved in accordance with the procedures set forth in Section 2.7(e). Sellers shall be responsible for and shall timely pay all Taxes of the Sellers for any Tax period, and all Taxes with respect to the Business or the Purchased Assets for any Pre-Closing Tax Period. For the avoidance of doubt, with respect to any Tax Incentive applicable to the Purchased Assets or the Business during any Pre-Closing Tax Period (each, a “Pre-Closing Tax Incentive”), Sellers shall be responsible for and shall pay any amount required to be forfeited to a Governmental Body, any offset against any refund, claim or amount owing from such Governmental Body, or any other similar detriment with respect to any Pre-Closing Tax Incentive (each, a “Clawback”), regardless of when the Clawback is assessed or incurred and regardless of the reason for the Clawback.

(c) Buyer will be responsible for the preparation and timely filing of all Tax Returns required to be filed with respect to its operation of the Business or ownership or use of the Purchased Assets for any Tax period (or portion thereof) commencing after the Closing Date (the “Post-Closing Tax Period”).

(d) All real property Taxes, personal property Taxes and similar ad valorem obligations (collectively, “Property Taxes”) levied with respect to the Purchased Assets for a taxable period that includes (but does not end on) the Closing Date (each such period, a “Straddle Period”) shall be apportioned between Sellers, collectively on one hand, and Buyer, on the other hand, as of the Closing Date based on the number of days in such Straddle Period that are in the Pre-Closing Tax Period, and the number of days in such Straddle Period that are in the Post-Closing Tax Period. Sellers shall be liable for the portion of such Property Taxes attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the portion of such Property Taxes attributable to the Post-Closing Tax Period. The Party required by applicable law to file any necessary documentation or Tax Returns with respect to such Property Taxes (the “Property Tax Filing Party”) shall file any Tax Returns with respect to such Property Taxes in the time and manner required by law. Such Tax Returns shall be true, complete and correct and prepared in accordance with applicable law and past practices (except as required by applicable law). The Property Tax Filing Party shall provide the non-Property Tax Filing Party with a copy of each such Tax Return solely relating to such Property Taxes for a taxable period that includes (but does not end on) the Closing Date (each such period, a “Straddle Period”) and shall revise such Tax Return in accordance with the procedures set forth in Section 2.7(e). If bills for such Taxes have not been issued as of the Closing Date, and, if the amount of such Taxes for the period including the Closing Date is not then known, the apportionment of such Taxes shall be made at Closing on the basis of the prior period’s Taxes. After Closing, upon receipt of bills for the period including the Closing Date, adjustments to the apportionment shall be made by the Parties, so that if either Party paid more than its proper share at the Closing, the other Party shall promptly reimburse such Party for the excess amount paid by them. If either Party receives a refund of Taxes that the other Party has paid pursuant to this Section 6.2(d), it shall reimburse the other Party its proportionate share of such refund, less any Taxes or other costs imposed with respect to the receipt of such refund.

(e) Sellers and Buyer agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Business, the Purchased Assets and Assumed Liabilities (including access to books and records) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any Taxing Authority, and the prosecution or defense of any action, suit or proceeding, claim, arbitration, litigation or investigation relating to any Tax. Any expenses incurred in furnishing such information or assistance shall be borne by the Party requesting it. Sellers shall
preserve all Tax information, records, and documents relating to Property Taxes for periods beginning prior to the Closing Date until the expiration of any applicable statutes of limitation or extensions thereof and as otherwise required by law. Sellers shall provide timely notice to Buyer in writing of any pending or threatened Tax audits, actions, claims, assessments or information request related to (i) the Allocation (ii) the Purchased Assets for periods beginning prior to the Closing Date, or (iii) Transfer Taxes, and in each case furnish the other with copies of all correspondence (or applicable portions thereof) received from any Taxing authority in connection with any such Tax audit, action, claim, assessment or information request. For the avoidance of doubt, to the extent of any conflict between the provisions of this Section 6.2(e) and Section 6.6, the provisions of this Section 6.2(e) shall control.

(f) At Buyer’s election, Buyer and Sellers shall utilize the alternate procedure set forth in Revenue Procedure 2004-53 with respect to wage withholding for Transferred Employees.

(g) Sellers and Buyer agree to treat all payments made either to or for the benefit of the other Party under this Agreement as adjustments to the Purchase Price for Tax purposes to the extent permitted under applicable Tax law.

6.3 Third Party Consents and Regulatory Approvals.

(a) Subject to the terms and conditions hereof, each Seller and each Seller Owner shall use their commercially reasonable best efforts, and Buyer shall use its commercially reasonable efforts, to:

(i) take, or cause to be taken, all actions, and do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable to consummate and make effective the transactions contemplated herein as promptly as practicable;

(ii) as promptly as practicable, obtain from any Governmental Body or any other third party any consents, licenses, permits, waivers, approvals, authorizations, or orders required to be obtained or made by any Seller Party or Buyer Party or any of their respective Subsidiaries in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated herein;

(iii) as promptly as practicable, make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement under (A) the Exchange Act and any other applicable federal or state securities laws, (B) the HSR Act and any related governmental request thereunder, and (C) any other applicable law; and

(iv) execute or deliver any additional instruments necessary to consummate the transactions contemplated in, and to fully carry out the purposes of, this Agreement.

The Seller Parties and Buyer shall cooperate in connection with the making of all such filings, including providing copies of all such documents to the non-filing Party and its advisors prior to filing and, if requested, considering in good faith reasonable additions, deletions or changes suggested in connection therewith. Each Seller, each Seller Owner and Buyer shall use their respective commercially reasonable best efforts to furnish the other Party, upon reasonable request, all information reasonably necessary or advisable in connection with any application or other filing to be made pursuant to the applicable Rules in connection with the transactions contemplated in this Agreement. For the avoidance of doubt, Buyer and Seller agree that nothing contained in this Section 6.3(a) shall modify or affect their respective rights and responsibilities under Section 2.8(f) or Section 2.8(g).

(b) In furtherance and not in limitation of the foregoing, each of the Buyer Parties and the Seller Parties agree to make an appropriate filing pursuant to the HSR Act with respect to the transactions contemplated herein within 10 business days after the date hereof and to supply promptly any additional information and documentary material that may be requested in connection with such filing. Notwithstanding anything to the contrary contained in this Agreement, (i) the Buyer Parties shall be entitled to direct the antitrust defense of the transactions contemplated herein in any investigation or litigation, including in connection with negotiations with any Governmental Body regarding the resolution of any investigation or litigation and (ii) in no event will the Buyer Parties or any of their Affiliates be obligated to propose or agree to accept any undertaking or condition, to enter into any consent decree, to make any divestiture, to accept any operational restriction, or take any other action that, in the reasonable judgment of Parent, could be expected to limit the right of Parent to own or operate all or any portion of their respective businesses or assets. The Seller Parties shall use reasonable best efforts to provide support and assistance of the Buyer Parties in all material respects in all such investigations and litigation to the extent required by the Buyer Parties.
(c) Subject to applicable law and as required by any Governmental Body, each Party shall keep the others apprised of the status of matters relating to completion of the transactions contemplated in this Section 6.3, including promptly furnishing the other with copies of notices or other material communications received by such Party, as the case may be, or any of its Subsidiaries, from any third party or Governmental Body with respect to the transactions contemplated herein. Neither Sellers nor Buyer shall permit any of their representatives to participate in any meeting with any Governmental Body in respect of any filing, investigation or other inquiry unless it consults with the other Party in advance and, to the extent permitted by such Governmental Body, gives the other Party the opportunity to attend and participate.

(d) Except as otherwise provided in Section 11.3, each Party’s cost and expense of compliance with this Section 6.3 shall be borne by the Party incurring such expense.

6.4 Employment and Benefit Matters.

(a) Buyer shall in its sole discretion offer employment to certain Business Employees either as of the Closing Date or pursuant to the terms of the Transition Services Agreement, each such offer to be pursuant to an offer letter on Parent’s standard form (and conditioned upon execution by such employee of Parent’s standard employment documentation, in each case, in the forms attached hereto as Exhibit A) for an indeterminate period of time with Buyer, conditioned on the occurrence of the Closing; provided, that such offers of employment shall be with respect to base salary and cash bonus eligibility in such amounts as are determined by Buyer in its sole discretion based upon Buyer’s review of duties performed by each employee, and the start date for each such Business Employee shall be on the Closing Date (the “Offers”). Any such Business Employee who accepts Buyer’s offer of employment and commences employment with Buyer shall be referred to, individually, as a “Transferred Employee” and, collectively, as the “Transferred Employees.” Buyer’s employment of each such Business Employee in accordance with this Section 6.4(a) shall begin as of the commencement of the applicable date of hire (the “Hire Date”), and the employment and other relationships of such Business Employee with Sellers and their Affiliates shall end immediately prior to such date. Sellers shall use their commercially reasonable best efforts to assist Buyer in employing as new employees of Buyer all such Transferred Employees. Buyer shall in no way be obligated to continue to employ any Transferred Employee for any specific period of time, except to the extent otherwise provided in any written agreement entered into by Buyer and/or any Subsidiary thereof and any Transferred Employee after the Closing.

(b) Sellers shall be liable for, or for causing, the administration and payment of all workers’ compensation and health and welfare Liabilities and benefits (including Liabilities arising out of the termination of employment of any Business Employee) with respect to any Transferred Employees to the extent resulting from claims arising prior to the Hire Date. For purposes of the preceding sentence, claims shall be considered incurred on the date when medical/dental services are rendered or medical/dental supplies provided, and not when the condition arose or the course of treatment began. Sellers shall be liable for the administration and provision of benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”) with respect to Business Employees and/or any former employees of Sellers or other qualified beneficiaries associated with any Business Employees of Seller with respect to qualifying events that occur before the Hire Date or in connection with the transactions contemplated herein. Sellers further agree and acknowledge that in the event any Seller ceases to provide, or ceases to cause the provision of, any group health plan to any employee prior to the expiration of the COBRA continuation coverage period for all M&A qualified beneficiaries (as defined by Treasury Regulation Section 54.4980B-9, Q&A-4(a)) with respect to the transactions contemplated herein, then the Sellers shall provide Buyer written notice of such cessation at least 10 days in advance thereof and shall provide all information necessary for Buyer to offer COBRA continuation coverage to such M&A qualified beneficiaries in accordance with Treasury Regulation Section 54.4980B-9, Q&A-8(c); provided, that Buyer shall be obligated to offer such coverage only to the extent required by applicable law. The Sellers shall be responsible for 100% of the costs of any such COBRA benefits required to be paid by Buyer (including administrative costs) as a result of the preceding sentence. Buyer will be responsible for COBRA coverage for Transferred Employees (and each such employee’s qualified beneficiaries) whose qualifying event occurs on or after the applicable Hire Date, to the extent required by law.

(c) Except as expressly set forth in this Section 6.4 with respect to Transferred Employees, Buyer shall have no obligation or Liability with respect to any Business Employee (including any beneficiary or dependent thereof) up to and including the Closing Date and Sellers shall remain responsible for any obligation or Liability, whether contractual or statutory, arising out of Sellers’ employment or termination of Business Employees.

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Nothing in this Agreement confers upon any Business Employee or Transferred Employee any rights or remedies of any nature or kind whatsoever under or by reason of this Section 6.4.

(d) Except as otherwise elected by Buyer in accordance with Section 6.2(f), pursuant to the “Standard Procedure” provided in Section 4 of Revenue Procedure 2004-53, 2004-34 I.R.B. 320, (i) Buyer and Sellers shall report on a predecessor / successor basis as set forth therein, (ii) Sellers will not be relieved from filing, or causing the filing of, a Form W-2 with respect to any Transferred Employees, and (iii) Buyer will undertake to file, or cause to be filed, a Form W-2 for each such Transferred Employee only with respect to the portion of the year during which such Transferred Employees are employed by Buyer that includes the Closing Date, excluding the portion of such year that such Transferred Employee was employed by Sellers.

(e) This Section 6.4 shall be binding upon and inure solely to the benefit of each of the Parties to this Agreement, and nothing in this Section 6.4, express or implied, shall confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Section 6.4. Nothing contained herein, express or implied, shall be construed to establish, amend, or modify any benefit plan, program, agreement, or arrangement. The Parties acknowledge and agree that the terms set forth in this Section 6.4 shall not create any right of any employee or any other Person to any continued employment with Sellers, Buyer or any of their respective Affiliates or compensation or benefits of any nature or kind whatsoever.

6.5 Notice of Developments. Each Seller will give prompt written notice to Buyer of (a) any event, condition, fact or circumstance that causes, caused, constitutes or constituted a breach or inaccuracy of any representation or warranty of Sellers contained in this Agreement at any time on or after the date of this Agreement and on or prior to the Closing Date (as though made at such time), (b) any event, condition, fact or circumstance that may be reasonably likely to cause any of the conditions to Closing not to be satisfied and (c) the failure of any Seller to comply with or satisfy in any material respect any covenant to be complied with by it hereunder following the Closing. No such notification will, in any way, limit, qualify, modify or affect the representations or warranties of Sellers’ or the Buyer Parties’ remedies or the conditions to their respective obligations hereunder, nor impair the ability of the Buyer Parties to rely on such representations and warranties.

6.6 Access to Records and Personnel.

(a) Exchange of Information. From and after the Closing until the sixth anniversary of the Closing, each Party shall provide, or cause to be provided, to each other, as soon as reasonably practicable after written request therefor and at the requesting Party’s sole expense, reasonable access (including using commercially reasonable efforts to give access to Seller’s auditors, accountants and other advisors reasonably requested by each Party), during normal business hours, to the other Party’s representatives and to any books, records, files, documents, instruments, accounts, correspondence, writings, evidences of title and other papers relating to the Business and the Purchased Assets (the “Books and Records”) in the possession or under the control of the other Party with respect to periods prior to the Closing that the requesting Party reasonably needs (i) to comply with reporting, disclosure, filing, auditing or other requirements imposed on the requesting Party (including under applicable securities laws) by a Governmental Body having jurisdiction over the requesting Party in connection with the transactions contemplated herein, (ii) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation or other similar requirements arising from the transactions contemplated in this Agreement, or (iii) to comply with its obligations under this Agreement; provided, however, that no Party shall be required under this provision to provide access to or disclose information if the Parties are in a dispute with each other regarding matters related to such information request or where such access or disclosure would violate any law, protective order or confidentiality agreement, or waive any attorney-client, attorney work product or other similar privilege, and each Party may redact information regarding itself or its affiliates or otherwise not relating to the other Party and its affiliates, to the extent such redaction is not related to the Business, and, in the event such provision of information could reasonably be expected to violate any Rule, protective order or confidentiality agreement or waive any attorney-client, attorney work product or other similar privilege, the Parties shall take commercially reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence, to the extent practicable.

(b) Record Retention. Each Party shall retain the Books and Records relating to the Business in such Party’s respective possession or control for the greater of (i) six years following the Closing Date or (ii) such period of time as may be required by applicable law. Notwithstanding the foregoing, any Party may destroy or
otherwise dispose of any Books and Records not in accordance with its retention policy, provided that, prior to such destruction or disposal (i) such Party shall provide no less than 30 days’ prior written notice to the other Party of any such proposed destruction or disposal (which notice shall specify in detail which of the Books and Records is proposed to be so destroyed or disposed of), and (ii) if a recipient of such notice shall request in writing prior to the scheduled date for such destruction or disposal that any of the information proposed to be destroyed or disposed of be delivered to such recipient, such Party proposing the destruction or disposal shall, as promptly as practicable, arrange for the delivery of such of the Books and Records as was requested by the recipient (it being understood that all reasonable out-of-pocket costs associated with the delivery of the requested Books and Records shall be paid by such recipient).

(c) Other Agreements Providing For Exchange of Information. Except with respect to information that is generally available to the public, the Party requesting such information shall (i) hold all such information in the strictest confidence, except as required by applicable law or which must be disclosed in connection with any audit or taxing authority inquiry, (ii) shall disseminate such information only to its officers, directors, employees and representatives who have been advised of the confidential nature of such information and are subject to confidentiality obligations in favor of the Party requesting such information, and only on an as-needed basis, (iii) shall return promptly upon request of the other Party all copies of the information received by it, and (iv) shall cause its officers, directors, employees and other representatives to comply with the terms and conditions of this provision.

(d) Confidential Information. Nothing in this Section 6.6 shall require either Party to violate any agreement with any third parties regarding the confidentiality of confidential and proprietary information or of customer information; provided, however, that in the event that any Party is required under this Section 6.6 to disclose any such information, or in the event the transaction contemplated herein would cause a Party to disclose such information, that Party shall notify the other Parties thereof, not disclose such information, and use commercially reasonable efforts to seek to obtain such third party’s consent to the disclosure of such information and implement requisite procedures to enable the disclosure of such information.

6.7 Seller Insurance. Seller shall maintain for the period of three years following the Closing Date, and on or before the Closing Date shall have paid the premiums for maintaining such policies during such period, the policies of insurance set forth on Section 4.19 of the Disclosure Schedule. From and after the Closing, Sellers shall use commercially reasonable efforts to prosecute claims and receive coverage under such insurance policies to the extent any Buyer Party incurs any damages or losses in connection with matters arising prior to the Closing and covered by such insurance policies.

6.8 Mail Handling. To the extent any Seller receives any mail, email, faxes or packages addressed to such Seller but relating to the Business, the Purchased Assets or the Assumed Liabilities, such Seller shall promptly deliver such materials to Buyer. To the extent any Seller or Seller Owner receives any payments or refunds or any other proceeds in respect of the Purchased Assets or any Assumed Contract or otherwise arising out of the Business, such Seller shall cause such amounts to be remitted promptly to Buyer.

6.9 No Solicitation of Acquisition Proposals. None of the Sellers, the Seller Owners or any of their Affiliates shall, and the Sellers and the Seller Owners shall cause their respective Affiliates, employees, officers, directors, agents, representatives and subsidiaries (and their employees, officers, directors, agents and representatives) not to (and will not authorize any of them to), directly or indirectly, initiate, solicit, encourage, or facilitate or induce any offer or proposal to (i) invest in any Seller, (ii) acquire any of the Purchased Assets or part of the Business or (iii) acquire any significant interest in any Seller whether by merger, consolidation, recapitalization, reorganization, transfer of assets, grant of license or otherwise (an “Acquisition Proposal”), or effect any such transaction, or participate in any discussions or negotiations regarding, or furnish any information to any other Person with respect to, or agree to or otherwise enter into, any Acquisition Proposal. Each Seller and each Seller Owner represents and warrants to Buyer that each Seller, each Seller Owner and their respective Affiliates have ceased any and all activities, discussions or negotiations with any third parties conducted on or prior to the date hereof with respect to any Acquisition Proposal. Each Seller and Seller Owner shall promptly notify Buyer orally and in writing immediately upon receipt of any Acquisition Proposal or any inquiry or request for information relating to the Purchased Assets or the Business that it reasonably believes could lead to an Acquisition Proposal, which notice shall identify the Person making such Acquisition Proposal, inquiry or request, the material terms and conditions of such Acquisition Proposal, inquiry or request and a true and complete copy of all written
materials provided in connection with such Acquisition Proposal, inquiry or request. Sellers and Seller Owners shall, and shall direct its representatives to, discontinue any solicitation efforts or negotiations with respect to or in furtherance of any Acquisition Proposal.

6.10 Notification. Promptly after the Closing Date, Sellers will send a communication, the form and content of which will be subject to the review and approval of Buyer, which approval will not be unreasonably withheld, conditioned or delayed, to all existing and pending customers of the Business notifying them of the consummation of the sale of the Purchased Assets and Assumed Liabilities to Buyer.

6.11 Non-competition; Non-solicitation.

(a) Each Seller, each Seller Owner and each Hospitality Subsidiary (collectively, the “Restricted Parties,” and each a “Restricted Party”) agrees that for a period of five years commencing on the Closing Date, such Restricted Party shall not, and shall cause its Affiliates and Subsidiaries not to, whether as a principal, agent, executive, employee, consultant, volunteer or otherwise, directly or indirectly, without the express written approval of Buyer, (i) become involved or otherwise engage in the Business or advise, own an interest in, manage, operate, control, lend money or render financial, technical or other assistance to or participate in, as an officer, executive, employee, partner, equityholder, member, agent, consultant, advisor or other similar capacity, any Competing Business; provided, that such Restricted Party may purchase securities issued by a Competing Business that is a public company, provided that the aggregate ownership of Owner and Owner’s Affiliates in such Competing Business is less than 2% of the outstanding publicly traded shares, (ii) solicit any Person who was during the 12-month period preceding the Closing a customer of the Business for any purposes competitive with the Business (including, without limitation, the license or sale of any technology, data, products or services which are competitive with or substitutes for, the technology, data, products or services offered for sale or under development by Sellers immediately prior to the Closing Date), or (iii) solicit, request, advise or knowingly induce any Person who was during the 12-month period preceding the Closing a customer, vendor (other than legal counsel and accountants), supplier, independent contractor or other business contact of Seller related to the Business or any Purchased Asset, or who is a current or potential (as of the Closing Date) customer, vendor, supplier, independent contractor or other business contact of Sellers related to the Business or any Purchased Asset to cancel, curtail or otherwise adversely change its relationship with Buyer as owner of the Business. Each Restricted Party shall ensure that its activities and the activities of its Affiliates pursuant to and permitted by any other agreement between the parties do not violate the covenants and agreements of such Restricted Party in this Section 6.11.

(b) Each Restricted Party agrees that for a period of five years commencing on the Closing Date, such Restricted Party shall not, and shall cause its Affiliates and Subsidiaries not to, hire or attempt to hire any Transferred Employee or solicit, induce, recruit or encourage (or attempt to solicit, induce, recruit or encourage) any Transferred Employee to leave or terminate their employment with a Buyer Party or any of its Subsidiaries. Notwithstanding the foregoing, it shall not be a breach of this paragraph for a Restricted Party to (i) solicit (but not hire) Transferred Employees who respond to general advertisements in newspapers and/or other media of general circulation (including advertisements posted on the Internet), job fairs or other similar general solicitation, so long as they are not specifically directed towards such Transferred Employees or (ii) solicit or hire any Transferred Employee whose employment with all Buyer Parties and all of their Subsidiaries has been terminated for at least 18 months.

(c) Each Restricted Party expressly represents and warrants to the Buyer Parties that it is incurring the obligations of the covenants in this Section 6.11 as an inducement to the Buyer Parties to enter into this Agreement and as an essential element of the Buyer Parties’ agreement to acquire the Purchased Assets and pay the Purchase Price for the Purchased Assets, and the Buyer Parties would not have done so but for the agreement by each Restricted Party to comply with the terms and provisions hereof.

(d) Each Restricted Party understands and acknowledges that the Buyer Parties have made substantial investments to acquire the Purchased Assets, including business interests, goodwill and confidential information. Each Restricted Party agrees that such investments are worthy of protection, and that the Buyer Parties’ need for the protection afforded by this Section 6.11 is greater than any hardship the Restricted Parties might experience by complying with its terms.

(e) The Buyer Parties and Restricted Parties agree that the limitations as to time, geographic area and scope of activity to be restrained, as applicable, contained in this Agreement are fair and reasonable and are
not greater than necessary to protect the confidential information and/or the goodwill or other legitimate business interests of the Buyer Parties. However, if at any time any of the provisions of this Section 6.11 shall be determined to be invalid or unenforceable by reason of being vague or unreasonable as to duration, area, scope of activity or otherwise, then this Section 6.11 shall be considered divisible (with the other provisions to remain in full force and effect) and the invalid or unenforceable provisions shall become and be deemed to be immediately amended to include only such time, area, scope of activity and other restrictions, as shall be determined to be reasonable and enforceable by the court or other body having jurisdiction over the matter, and the Seller expressly agrees that this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provision had not been included herein.

6.12 Name Change. Within 10 days after the Closing Date, Sellers shall, or shall cause their respective Subsidiaries, as applicable, to, file all documents, records, and notices with, and provide all required information to all applicable Governmental Bodies to effect a change in the name(s) of The Rainmaker Group - Rent Jungle LLC, The Rainmaker Group Real Estate, LLC and The Rainmaker Group Data, LLC (the “Name Change”) from “The Rainmaker Group - Rent Jungle LLC,” “The Rainmaker Group Real Estate, LLC” and “The Rainmaker Group Data, LLC” to names (i) not similar to “The Rainmaker Group - Rent Jungle LLC,” “The Rainmaker Group Real Estate, LLC” and “The Rainmaker Group Data, LLC,” and (ii) that creates no association with the Business or the business of the Business.

6.13 Continued Existence. Each of RGH and RGV covenants that until the three-year anniversary of the Closing Date, such Seller shall not liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution). Until the three-year anniversary of the Closing Date, none of RRJ, RGRE or RGD or any Hospitality Subsidiary shall, and each of RGH and RGV shall cause each such entity not to, liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) or sell all or substantially all of its assets to an unaffiliated third party or cease to be a subsidiary of RGV; provided, however, that the restriction set forth in this sentence shall not apply so long as RGH has and maintains cash on hand or other sources of available funds in the aggregate equal to or greater than $10,000,000 during such three-year period.

6.14 Seller Transaction Expenses. No later than two business days prior to the Closing Date, Sellers shall provide the Buyer Parties with a written instruction letter setting forth, with respect to Sellers’ Indebtedness and all Seller Transaction Expenses or other amounts that Sellers request to be funded out of the Closing Cash Consideration at the Closing in accordance with Section 2.6(a): (i) the identity of each Person that is to be paid with respect thereto, (ii) the amount owed or to be owed to each such Person, and (iii) the bank account and wire transfer information for each such Person.

6.15 Financial Statements.
(a) Sellers shall, on or before March 15, 2017, deliver to Parent the complete audited financial statements of Sellers’ combined business for the year ended December 31, 2016.
(b) As promptly as practicable following the date hereof, and in no event later than March 31, 2017, Sellers shall provide to Parent the Audited Carve-Out Financial Statements of the Business for the years ended December 31, 2015 and December 31, 2016.
(c) Sellers shall promptly commence preparation of, and cooperate with Parent in the preparation of, any document or materials required to satisfy any public filing requirements of Parent arising out of or otherwise relating to the consummation of the transactions contemplated in this Agreement.

6.16 Business Confidential Information.
(a) The Seller Parties hereby acknowledge that the Buyer Parties or the Business may be irreparably damaged if any Business Confidential Information possessed by any Seller Party were disclosed to or used by any Person engaged in competition with the Buyer Parties or the Business. From and after the date hereof, each Seller Party covenants and agrees that it will not, and will not permit its Affiliates to, and that it will use reasonable efforts to cause its representatives and agents not to, use or disclose any such Business Confidential Information without the prior written consent of Parent, except to attorneys, accountants and authorized representatives of such Seller Party, unless expressly permitted hereunder. If any Seller Party or one or more of its Affiliates is requested or required by any Governmental Entity to disclose any of such Business Confidential Information, then to the extent legally permissible such Seller Party will provide Parent with prompt written notice.
of such request or requirement. Parent shall then either seek appropriate protective relief from all or part of such request or requirement or waive the applicable Seller Party’s or such Affiliate’s compliance with the provisions of this Section 6.16 with respect to all or part of such request or requirement. Each Seller Party will reasonably cooperate in good faith with Parent in attempting to obtain any reasonable protective relief that Parent chooses to seek. If, after Parent has had a reasonable opportunity to obtain such relief, Parent fails to obtain such relief, then such Seller Party or its Affiliate may disclose only that portion of such Business Confidential Information which its legal counsel advises it is compelled to disclose.

(b) The obligations of the Buyer Parties pursuant to the Confidentiality Agreement in respect of Business Confidential Information shall terminate as of the Closing.

6.17 Release.

(a) As of the Closing Date, each Seller Party, on behalf of such Seller Party, and such Seller Party’s successors, assigns, heirs, representatives and agents (collectively, the “Releasing Parties”), hereby, irrevocably and unconditionally, fully and forever does acquit, release, covenant not to sue, discharge and agree to hold harmless Parent, Buyer and their Affiliates, and their respective officers, directors, stockholders, members, managers, employees, agents, attorneys, representatives, predecessors, successors and assigns (collectively, the “Released Parties”), from and against any and all actions, claims, charges, demands, damages, losses, obligations, liabilities, costs, expenses (including attorneys’ fees and court costs), causes of action, debts, contracts, torts, covenants, fiduciary duties, responsibilities, suits and judgments, at law or in equity, of every nature and kind, including claims for breach of contract (including claims arising out of any employment agreement, offer letter, employee benefit plan, stock incentive plan, bonus plan, severance agreement or other agreement), tort, fraud or misrepresentation, violation of any federal, state, or local civil rights laws of any jurisdiction, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended, Civil Rights Act of 1991, as amended, and the Americans with Disabilities Act, as amended, based on any protected trait, class or status, as well as any and all claims for discrimination, harassment, retaliation, wrongful discharge, constructive discharge, defamation, intentional or negligent infliction of emotional distress, breach of the covenant of good faith and fair dealing, promissory estoppel or negligence that the Releasing Parties have, may have had or may have in the future against the Released Parties, whether known or unknown, for all matters relating to, arising out of or in connection with dealings or relationships between the Releasing Parties, including without limitation any employment or business relationship, and the Released Parties from the beginning of time through the date hereof, except as set forth in Section 6.17(b).

(b) Notwithstanding anything to the contrary, this Section 6.17 does not constitute a release or waiver of any Seller Party’s right to enforce such Seller Party’s rights under this Agreement, the Seller Ancillary Agreements or any other document executed in conjunction herewith.

(c) The Releasing Parties hereby expressly waive and relinquish all rights and benefits under the applicable section of any Rule (or legal principle of similar effect) in any jurisdiction, which provides that a general release does not extend to claims which such releaser does not know or suspect to exist in his, her or its favor at the time of executing the release, which if known by him, her or it must have materially affected his, her or its settlement with the released party, with respect to the releases granted in this Agreement. In this regard, each Releasing Party acknowledges that he, she or it is aware that any of the Releasing Parties or their respective attorneys may hereafter discover claims or facts in addition to or different from those which the Releasing Parties or their respective attorneys now know or believe to exist with respect to the subject matter of the foregoing releases, and it is his, her or its intention hereby to fully, finally and forever settle and release all possible claims purported to be released hereunder that he, she or it may have against the Released Parties. Further, it is expressly understood that notwithstanding the discovery or existence of any such additional or different claims or facts, the release given herein shall be and remain in effect as a full and complete release with respect to all claims released hereunder. The release in this Section 6.17 is for any relief, no matter how denominated, including, but not limited to, injunctive relief, compensation, unpaid wages, back pay, front pay, compensatory damages, or punitive damages. The release in this Section 6.17 may not be changed orally by either party to this Agreement and may only be changed in a writing signed by both parties.

(d) The invalidity or unenforceability of any provision of this Section 6.17 shall not affect or limit the validity or enforceability of any other provision hereof and if any particular provision of this Section 6.17
shall be adjudicated to be invalid or unenforceable, such provision shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable, such deletion to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. The invalidity or unenforceability of any provision of this Section 6.17 as to any Releasing Party shall not affect or limit the validity or enforceability of this Section 6.17 to any other Releasing Party.

(e) Each Releasing Party represents and agrees that (i) he, she or it has been encouraged to consult with an attorney of his, her or its choice, prior to signing this Agreement, concerning his, her or its rights and the release granted in this Section 6.17, (ii) he, she or it has thoroughly discussed all aspects of the release granted in this Section 6.17 and his, her or its rights with his, her or its own attorney or other advisor of his, her or its choice to the full extent he, she or it wanted to do so before signing this Agreement, (iii) he, she or it understands he, she or it is waiving legal rights or claims by signing this Agreement, (iv) he, she or it has carefully read and fully understands this Agreement and the release granted in this Section 6.17, and (v) he, she or it is voluntarily signing this Agreement.

(f) Each Releasing Party acknowledges that in entering this Agreement and the release contemplated hereby he, she or it has done so freely and voluntarily and with knowledge of all the material facts, and not as a result of any duress, concealment, fraud or undue influence.

(g) To the extent permitted by applicable law, each Releasing Party covenants, agrees and promises that he, she or it will not file any legal claim or action asserting any such claims and, that if such a claim is brought on such Releasing Party’s behalf or for such Releasing Party’s benefit in or by any court or administrative agency, such Releasing Party hereby waives and agrees not to take any award or money or other damages as a result of such claim. No Releasing Party shall aid or assist any other Person in connection with the pursuit of any claim that could not be brought by such Releasing Party hereunder, except in the case of a court order, a validly issued subpoena or as otherwise permitted by law.

6.18 Post-Closing Collection. Each Seller agrees to hold any cash receipts or proceeds of Purchased Assets that come into its possession or control following the Closing Date in trust for the sole benefit of Buyer and will, as soon as administratively feasible, but in no event more than five business days following receipt, deliver such cash receipts or proceeds to Buyer. Likewise, Buyer agrees to hold any cash receipts or proceeds of the Retained Business that come into its possession or control following the Closing Date in trust for the sole benefit of Sellers and will, as soon as administratively feasible, but in no event more than five business days following receipt, deliver such cash receipts or proceeds to Sellers.

6.19 Bulk Sale Waiver. Buyer and Sellers hereby waive compliance with the bulk-transfer provisions of the Uniform Commercial Code (or any similar law) in connection with the transactions contemplated by this Agreement.

6.20 Rainmaker Name. Each of the Seller Parties and the Hospitality Subsidiaries acknowledge that the Parent and its Subsidiaries are acquiring all right, title and interest in and to the “Rainmaker” name in connection with the Business or any products or services provided to any set or subset of the multifamily housing (including conventional, affordable, senior living and student housing), single family housing, short term housing, or vacation rental housing markets (“Buyer Markets”) but expressly excluding for use in connection with the Retained Business, along with any derivatives thereof, together with all goodwill associated therewith and all rights to sue for and receive damages or other relief in respect of any past infringement or other violation of any rights thereto. Buyer Parties acknowledge that Seller Parties own all right, title and interest in and to the “Rainmaker” name, except as it relates to the Buyer Markets. Buyer will not adopt the “Rainmaker” name for use in any manner whatsoever outside of the Buyer Markets. Buyer Parties covenant and agree not to: (i) file or prepare any application for registration of the “Rainmaker” name outside of the Buyer Markets; or (ii) claim, assert, contest or otherwise dispute any rights, title, or interest of Seller Parties to use the “Rainmaker” name outside of the Buyer Markets, including in connection with the Retained Business. Seller Parties covenant and agree not to: (i) file or prepare any application for registration of the “Rainmaker” name within the Buyer Markets; or (ii) claim, assert, contest or otherwise dispute any rights, title, or interest of Buyer Parties to use the “Rainmaker” name in connection with the Buyer Markets.
6.21 **Bonus Obligations.** Each of the Sellers covenants and agrees that it shall pay, or cause to be paid, all of the bonuses earned by each Transferred Employee with respect to the first fiscal quarter of 2017 within 45 days following March 31, 2017.

6.22 **Covenant to Enforce.** At the request of the Buyer Parties, the Seller Parties shall use reasonable best efforts to enforce their respective rights and remedies, for and on behalf of the Buyer Parties (and at the Buyer Parties’ expense), and to the extent relating to the Business, under any employee non-disclosure, confidentiality, non-solicitation, employee noncompetition and assignment of Intellectual Property agreements executed in favor of any Seller that are not Assumed Contracts.

**ARTICLE 7**

**CLOSING CONDITIONS**

7.1 **Conditions to the Obligations of All Parties.** The obligations of each Party to effect the transactions contemplated in this Agreement are subject to the satisfaction (or waiver in writing if permissible under applicable law), at or prior to the Closing, of the following conditions:

(a) No Governmental Body of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Rule that is in effect on the Closing Date that would, and no action or proceeding by any Governmental Body, or any Person that is not a Seller Party or Buyer Party, shall have been commenced or threatened against any of the Parties hereto or any of the officers or directors of any of them seeking to prohibit, enjoin, restrain or seek damages from the consummation of the transactions contemplated in this Agreement to occur on the Closing Date or otherwise making such transactions illegal.

(b) (i) All material consents required to be obtained from any Governmental Body shall have been obtained and shall be in full force and effect, and (ii) the applicable waiting period under any applicable Antitrust Laws shall have expired or been terminated.

7.2 **Conditions to the Obligations of Buyer.** The obligations of Buyer to effect the transactions contemplated in this Agreement are also subject to the satisfaction (or written waiver by Buyer), at or prior to the Closing, of the following conditions:

(a) The representations and warranties of Sellers (i) shall have been true and correct in all material respects on the date of this Agreement and (ii) shall be true and correct in all material respects on the Closing Date as if made on the Closing Date, unless in each case a representation or warranty is made as of a specified date (in which case such representation or warranty shall be true and correct in all respects as of such date), and Buyer shall have received a certificate signed on behalf of each Seller by an authorized officer or manager, as applicable, of such Seller to such effect.

(b) Each Seller shall have performed and complied in all material respects with all covenants contained in this Agreement that are required to be performed or complied with by such Seller on or prior to the Closing, and Buyer shall have received a certificate signed on behalf of each Seller by an authorized officer or manager, as applicable, of such Seller to such effect.

(c) The Buyer Parties shall have received a copy of all resolutions or consents from the board of directors or manager(s), as applicable, of each Seller Party (except with respect to any Seller Party that is a natural person) authorizing, and consent of those Persons holding at least the minimum number of Seller Interests or other equity interests necessary to authorize, in each case, the execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by each such Seller Party, and the consummation of the transactions contemplated herein and therein, accompanied by the certification by an authorized officer or manager, as applicable, of each such Seller Party (i) to the effect that such resolutions are in full force and effect and have not been amended, modified or rescinded and (ii) of the incumbency and signature of the Persons executing this Agreement and any Seller Ancillary Agreements on behalf of such Seller Party.

(d) The Buyer Parties shall have received a fully-executed unanimous written consent from each Buyer Party’s Board of Directors or sole member (as applicable) authorizing the execution and delivery of this Agreement, the Transfer Documents and the Buyer Party Agreements.
(e) Since the date of this Agreement, no Material Adverse Effect shall have occurred and be continuing, and Buyer shall have received a certificate signed on behalf of each Seller by an authorized officer or manager, as applicable, of such Seller to such effect.

(f) Buyer shall have received the executed consents to assignment and evidences of notice to third parties regarding the transactions contemplated herein with respect to each of the Contracts set forth on Schedule 7.2(f), in form and substance satisfactory to Buyer in its sole discretion (the “Required Consents”).

(g) The applicable Seller and each party to a Contract set forth on Schedule 7.2(g) shall have executed and delivered terminations, amendments or modifications to each such Contract as described on Schedule 7.2(g), in form and substance satisfactory to Buyer in its sole discretion.

(h) Buyer shall have received evidence reasonably satisfactory to it that each Seller has obtained and paid the premiums associated with the policies of insurance required by Section 6.7, and that all such policies remain in full force and effect.

(i) Buyer shall have received from the Sellers a release or customary payoff letter in a form reasonably satisfactory to Buyer for any Indebtedness, as well as all applicable UCC-3 Termination Statements for any such Indebtedness subject to a Lien, including, without limitation, for those Contracts listed in Schedule 7.2(i).

(j) Buyer shall have received from each Key Employee a countersigned Employment Agreement in the form attached hereto as Exhibit A-1. At least 80% of the Business Employees (which 80% shall include each of the Key Employees) shall have accepted (and not subsequently revoked prior to Closing such acceptance of) an offer of employment by Parent or one of its Affiliates and executed Parent’s standard employment documentation in the forms attached hereto as Exhibit A-2 (or, with respect to each Key Employee, such Key Employee’s Employment Agreement).

(k) Buyer shall have received from each Seller countersigned copies of the Transfer Documents in the forms attached hereto as Exhibit B-1 through B-4.

(l) Buyer shall have received from Seller a legal opinion of Seller’s counsel in the form attached hereto as Exhibit C.

(m) Buyer shall have received from each Seller a countersigned copy of the Transition Services Agreement in the form attached hereto as Exhibit E.

(n) Buyer shall have received the Sublease, in the form attached hereto as Exhibit F, duly executed by RGV, and the consent of Highwoods Realty Limited Partnership, as Landlord, to the Sublease.

(o) Buyer shall have received (i) from each of the Seller Owners and each of the employees of any of the Sellers that is a record or beneficial owner of limited liability company interests or other equity interests in any of the Sellers (other than Norwest Venture Partners XI, LP and Norwest Venture Partners XII, LP), a countersigned Significant Owner Agreement in the form attached hereto as Exhibit G-1 and (ii) from Norwest Venture Partners XI, LP and Norwest Venture Partners XII, LP, a countersigned Significant Owner Agreement in the form attached hereto as Exhibit G-2.

(p) Buyer shall have received from the Sellers the Audited Carve-Out Financial Statement of the Business.

(q) Buyer shall have received a certification by each Seller (or, in the case of a Seller that is a disregarded entity, the owner of such Seller) reasonably satisfactory to Buyer, that such Seller is not a “foreign person” as that term is defined in Section 1445(f)(3) of the Code, which certification shall be made in accordance with Treasury Regulation Section 1.1445-2(b)(2).

(r) Buyer shall have received from each Seller certificates of good standing from its state of formation and from each other jurisdiction in which it is organized or qualified to do business.

(s) Buyer shall have received a certificate signed by each Seller Party and Hospitality Subsidiary to the effect that (i) no Intellectual Property or Intellectual Property Right that is a Purchased Asset has been impaired in any material manner and (ii) no source code that is a Purchased Asset has been escrowed or released to, or is subject to a pending request for escrow or release by, any third party as of the Closing Date.
7.3 **Conditions to the Obligations of the Seller.** The obligations of the Sellers to effect the transactions contemplated herein are also subject to the satisfaction (or written waiver by Sellers), at or prior to the Closing, of the following conditions:

(a) The representations and warranties of the Buyer Parties (i) shall have been true and correct in all material respects on the date of this Agreement and (ii) shall be true and correct in all material respects on the Closing Date as if made on the Closing Date, unless in each case a representation or warranty is made as of a specified date (in which case such representation or warranty shall be true and correct in all material respects as of such date), and the Sellers shall have received a certificate signed by an authorized officer of Parent and an authorized officer or manager of Buyer to such effect.

(b) Buyer and Parent shall have performed and complied in all material respects with all covenants contained in this Agreement that are required to be performed or complied with by them on or prior to the Closing, and the Sellers shall have received a certificate signed by an authorized officer of Parent and an authorized officer or manager of Buyer to such effect.

(c) The Sellers shall have received from Buyer countersigned copies of the Transfer Documents in the forms attached hereto as Exhibit B-1 through B-4.

(d) The Sellers shall have received from each of Buyer and Parent a countersigned copy of the Transition Services Agreement in the form attached hereto as Exhibit E.

(e) The Sellers shall have received the Sublease, in the form attached hereto as Exhibit F, duly executed by Buyer.

(f) The Buyer Parties shall have received a fully-executed unanimous written consent from each Buyer Party’s Board of Directors or sole member (as applicable) authorizing the execution and delivery of this Agreement, the Transfer Documents and the Buyer Party Agreements.

(g) The Sellers shall have received the License Agreement, duly executed by Buyer, in the form attached hereto as Exhibit H.

7.4 **Reliance.** No Party may rely on the failure of any condition set forth in this Article 7 to be satisfied if such failure was caused by such Party’s failure to perform or comply with the covenants of such Party set forth in this Agreement.

ARTICLE 8
TERMINATION

8.1 **Termination.** This Agreement may be terminated, and the transactions contemplated herein may be abandoned, at any time prior to the Closing:

(a) by mutual written consent of the Representative (on behalf of the Sellers and Seller Owners) and Parent (on behalf of itself and the Buyer Parties);

(b) by either Parent (on behalf of itself and the Buyer Parties) or the Representative (on behalf of the Sellers and Seller Owners) if any Governmental Body of competent jurisdiction shall have issued a final, non-appealable order, decree, judgment, injunction or ruling or taken any other action enjoining, restraining or otherwise prohibiting the consummation of the transactions contemplated herein;

(c) either Parent (on behalf of itself and the Buyer Parties) or the Representative (on behalf of the Sellers and Seller Owners) if the Closing shall not have occurred on or before May 31, 2017 (the “Termination Date”); **provided, however,** that the Termination Date may be extended for a period not to exceed 90 days by either party by written notice to the other party if the Closing shall not have occurred on or before the Termination Date as a result of the condition set forth in Section 7.1(b)(ii) failing to have been satisfied; **provided further, however,** that the right to terminate this Agreement under this Section 8.1(c) shall not be available to any Party if the breach or failure to perform by such Party of its obligations under this Agreement, or the failure to act in good faith, is the
principal cause of, or resulted in, the failure of the transactions contemplated herein to be consummated on or before such date;

(d) by Parent (on behalf of itself and the Buyer Parties) in the event of a material breach or failure to perform by any Seller of any representation, warranty, covenant or other agreement contained herein, or if a representation or warranty of any Seller shall have become untrue, which situation in either case, (i) would result in a failure of a condition set forth in Section 7.2, and (ii) cannot be cured by the Termination Date; or

(e) by the Representative (on behalf of the Sellers and Seller Owners) in the event of a material breach or failure to perform by either Buyer Party of any representation, warranty, covenant or other agreement contained herein, or if a representation or warranty of either Buyer Party shall have become untrue, which situation in either case, (i) would result in a failure of a condition set forth in Section 7.3, and (ii) cannot be cured by the Termination Date.

8.2 Effects of Termination. In the event of a termination of this Agreement by either Parent (on behalf of itself and the Buyer Parties) or Sellers as provided in Section 8.1, this Agreement shall immediately become null and void, except that this Section 8.2 (Effects of Termination), Article 10 (The Representative), Section 11.3 (Expenses), Section 11.10 (Governing Law) and Section 11.11 (Resolution of Disputes); and all other obligations of the Parties specifically intended to be performed after the termination of this Agreement shall survive any termination of this Agreement. Notwithstanding the foregoing, termination of this Agreement shall not relieve any Party for any liability for any breach of this Agreement prior to its termination.

ARTICLE 9
INDEMNIFICATION

9.1 Indemnification. Subject to the provisions of this Article 9, from and after the Closing, each of the Indemnifying Parties, jointly and severally, shall defend, indemnify and hold harmless the Indemnified Parties from and against any and all Indemnified Losses. The Representative shall act on behalf of the Seller Parties and the Hospitality Subsidiaries, and the Buyer Parties are hereby authorized to rely on determinations or communications by the Representative on behalf of the Seller Parties, in connection with all indemnification matters.

9.2 Defense of Third Party Claims.

(a) If any third party notifies any Indemnified Party with respect to any matter (a “Third-Party Action”) that may give rise to a claim for indemnification against any Indemnifying Party under this Article 9, then the Indemnified Party shall promptly notify the Representative thereof in writing (the “Third-Party Claim Notice”); provided, that no failure or delay on the part of the Indemnified Party to so notify the Representative shall limit any of the obligations of the Indemnifying Parties under this Article 9, except to the extent that the Indemnifying Parties have been materially prejudiced thereby. The Third-Party Claim Notice shall include a statement setting forth in reasonable detail the nature of the claim and, if ascertainable, the amount of the claim. Except with respect to any Special Claim, the Indemnifying Parties shall have the right (by notifying the Indemnified Party in writing of its intent within 20 days after receipt of the Third-Party Claim Notice) but not the obligation to control the defense of any Third-Party Action, and all reasonable fees and expenses of the Indemnifying Party’s counsel shall be borne by the Indemnifying Parties. The Indemnified Party shall have the right to employ counsel separate from counsel employed by the Indemnifying Party in any such action and to participate in (but not control) the defense of such action, and the reasonable fees and expenses of such counsel and participation shall be at the Indemnifying Parties’ expense. If the Indemnifying Party assumes the defense of any such Third-Party Action, the Indemnifying Party will select counsel to conduct the defense of such claim or proceeding, will take all steps necessary in the defense or settlement thereof and will at all times diligently and promptly pursue the resolution thereof. If the Third-Party Action is a Special Claim, or if the Indemnifying Party does not assume the defense of such Third-Party Action or proceeding resulting therefrom in accordance with the terms of this Article 9, the Indemnified Party may defend against such claim or proceeding, and shall be reimbursed by the Indemnifying Party for such reasonable costs and expenses, in the manner the Indemnified Party may deem appropriate, including settling such claim or proceeding on such terms as the Indemnified Party may deem appropriate.

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(b) All Parties to this Agreement shall cooperate in the defense or prosecution of such Third Party Action and shall furnish such records, information and testimony and shall attend such conferences, discovery proceedings and trials as may be reasonably requested in connection with such Third-Party Action; provided, that no Party shall be required to grant access or furnish information to the extent that such information is subject to an attorney/client or attorney work product privilege; and provided further, that a Party and/or its counsel shall use their commercially reasonable efforts to enter into such joint defense agreements or other arrangements, as appropriate, so as to allow for such disclosure in a manner that does not result in the loss of attorney/client or attorney work product privilege. Each Party shall act in good faith and in a commercially reasonable manner in addressing any adverse consequences that may result in the basis for an indemnifiable claim.

(c) If the Indemnifying Party assumed the defense of any claim or proceeding in accordance with this Section 9.2, the Indemnifying Party will be authorized to consent to a settlement of, or the entry of any judgment arising from, any such claim or proceeding, with the prior written consent of each relevant Indemnified Party (which shall not be unreasonably withheld); provided, however, that the Indemnifying Party will pay or cause to be paid all amounts arising out of such settlement or judgment concurrent with the effectiveness thereof; provided further, that the Indemnifying Party is not authorized to encumber any of the assets of any Indemnified Party or to agree to any restriction that would apply to any Indemnified Party or to its conduct of business; and provided further, that a condition to any such settlement is a complete release of each relevant Indemnified Party and its Affiliates, directors, officers, employees and agents with respect to the claim made, including any reasonably foreseeable collateral consequences thereof.

9.3 Direct Claims. In any case in which an Indemnified Party seeks indemnification hereunder which is not subject to Section 9.2, the Indemnified Party will notify the Representative in writing of any Indemnified Losses which such Indemnified Party claims are subject to indemnification under the terms hereof. Such notification must state in reasonable detail, to the extent such information is reasonably available, the nature, amount and circumstances, and be accompanied by any other documentation or information reasonably required by the Indemnifying Party to evaluate the claim. Subject to the limitations set forth in this Article 9, if the Representative does not notify the Indemnified Party in writing within 30 days after receipt of the written notification that the Representative disputes all or any portion of such claim, the amount of such undisputed claim shall be conclusively deemed a liability of the Indemnifying Parties hereunder. In case an objection is made in writing, the Indemnified Party shall have 30 days to respond in a written statement to the objection. If the Indemnified Party so responds, or the time to respond has expired, and there remains a dispute as to any claim, the Indemnified Party and the Representative shall attempt in good faith for 30 days to agree upon the rights of the respective parties with respect to each such claim. If the Indemnified Party and the Representative should so agree, a memorandum setting forth such agreement and the agreed upon dollar amount of liability for such claim of the Indemnifying Parties against whom the claim is made shall be prepared and signed by (or on behalf of) the Parties. If the Parties do not agree, each of the Indemnified Party and the Representative may take such actions and assert such rights, remedies and defenses as may then be available to it under the terms of this Agreement.

9.4 No Circular Recovery. Representative hereby agrees that it will not, and no Indemnifying Party shall, make any claim for indemnification or advancement of expenses against Parent or Buyer by reason of the fact that such Indemnifying Party was a controlling person, director, officer, manager, member, stockholder, employee, agent or representative of Seller or was serving as such for another Person at the request of Seller (whether such claim is pursuant to any statute, Governing Document, contractual obligation or otherwise) with respect to any claim brought by an Indemnified Party in accordance with this Agreement.

9.5 Release. Effective as of the Closing, the Representative, on behalf of himself and each Indemnifying Party, expressly waives and releases any and all right of subrogation, contribution, advancement, indemnification or other claim against Parent or Buyer other than such rights as are expressly provided in this Agreement.

9.6 Procedures for Claims; Payment of Holdback Cash Consideration.

(a) Claims. Parent shall be entitled to reduce the Holdback Cash Consideration by the amount necessary to satisfy and pay the amount of any claim with respect to which an Indemnified Party is entitled to indemnification pursuant to this Article 9.
(b)  **Distributions.** The Holdback Cash Consideration shall be distributed in accordance with the provisions of Section 2.6(c) herein.

9.7  **Limits on Liability.**

(a)  The Indemnified Parties shall not be entitled to be indemnified for any Indemnified Representation Losses unless and until the aggregate amount of all Indemnified Losses exceeds $1,500,000 (the "Threshold"), and then only to the extent in excess of the Threshold; provided, however, that this Section 9.7(a) shall not apply to (i) Fundamental Claims or (ii) claims in connection with, based upon, resulting from, attributable to, related to, or arising out of fraud, intentional misrepresentation or willful misconduct (although any Losses incurred relating to (i) and (ii) shall count towards the Threshold).

(b)  Notwithstanding anything to the contrary in this Agreement, there shall be no limit on the Indemnifying Parties' liability for claims in connection with, based upon, resulting from, attributable to, related to, or arising out of (i) Liabilities for any legal proceedings based on facts or circumstances that occurred prior to the Closing, (ii) any Excluded Liability, (iii) the ownership, control or operation of the Purchased Assets or the Business prior to the Closing, (iv) any breach of covenant by any Seller Party, any Hospitality Subsidiary or the Representative, or (v) fraud, intentional misrepresentation or willful breach.

(c)  Any claim by an Indemnified Party shall be limited such that no Indemnified Party shall be entitled to duplicate recovery with respect to any Losses that result from the breach of more than one representation, warranty, covenant or agreement.

(d)  Notwithstanding any provision of this Agreement to the contrary, all references in this Agreement and the Exhibits and Schedules hereto to "material," "material respects" and "Material Adverse Effect" (and similar materiality qualifications) shall be disregarded for purposes of determining (i) whether there has been a breach or failure of a representation, warranty, covenant or agreement for which an Indemnified Party is entitled to indemnification under this Agreement and (ii) the amount of any Indemnified Loss that is the subject of indemnification hereunder.

9.8  **Exclusive Remedy.** Each Party acknowledges and agrees that, should the Closing occur, the indemnification provisions of this Article 9 and the adjustments set forth in Article 2 shall be the sole and exclusive remedies of the Buyer Parties against the Seller Parties with respect to any breach or inaccuracy, or alleged breach or inaccuracy, of any representation, warranty, covenant or other obligation of Seller Parties under this Agreement, except for (i) claims in connection with, based upon, resulting from, attributable to, related to, or arising out of (A) Liabilities for any legal proceedings based on facts or circumstances that occurred prior to the Closing, (B) any Excluded Liability, (C) the ownership, control or operation of the Purchased Assets or the Business prior to the Closing, (D) any breach of covenant by any Seller Party, any Hospitality Subsidiary or Representative, or (E) fraud, intentional misrepresentation or willful breach, and (ii) injunctive relief or specific performance and other equitable remedies.

9.9  **Acknowledgement of Representative.** The parties acknowledge and agree that any Indemnified Party may deal directly with the Representative with respect to an indemnification claim and the Indemnifying Parties will be bound by any action or agreement of the Representative made on their behalf.

**ARTICLE 10**

**THE REPRESENTATIVE**

10.1  **Authorization of the Representative.**

(a)  The Representative hereby is appointed, authorized and empowered to act as the sole and exclusive representative, agent, proxy and attorney-in-fact of Sellers, Seller Owners and the Hospitality Subsidiaries, and each of them, in connection with, and to facilitate the consummation of the transactions contemplated in, this Agreement and the other Ancillary Agreements, and in connection with the activities to be performed on behalf of Sellers and Seller Owners under this Agreement, for the purposes and with the powers and authority hereinafter set forth in this Article 10, which will include the full power and authority:
(i) to take such actions and to execute and deliver such amendments, modifications, waivers and consents in connection with this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated herein and therein as the Representative, in its reasonable discretion, may deem necessary or desirable to give effect to the intentions of this Agreement and the Ancillary Agreements;

(ii) as the Representative of Sellers, Seller Owners and the Hospitality Subsidiaries, to enforce and protect the rights and interests of Sellers and Seller Owners and to enforce and protect the rights and interests of the Representative arising out of or under or in any manner relating to this Agreement and each Ancillary Agreement and, in connection therewith, to (A) resolve all questions, disputes, conflicts and controversies concerning (x) the determination of any amounts pursuant to Article 2 and (y) indemnification claims pursuant to Article 9; (B) employ such agents, consultants and professionals, to delegate authority to its agents, to take such actions and to execute such documents on behalf of Sellers, Seller Owners and the Hospitality Subsidiaries in connection with Article 2 and Article 9 and the Ancillary Agreements as the Representative, in its reasonable discretion, deems to be in the best interest of Sellers and Seller Owners; (C) assert or institute any Claim; (D) investigate, defend, contest or litigate any Claim initiated by any Buyer Party, any Indemnified Party, or any other Person, against the Representative and/or Sellers Owners, and receive process on behalf of any Seller and Seller Owner in any such Claim and compromise or settle on such terms as the Representative shall determine to be appropriate, give receipts, releases and discharges on behalf of both of Sellers and Seller Owners with respect to any such Claim; (E) file any proofs, debts, claims and petitions as the Representative may deem advisable or necessary; (F) settle or compromise any claims asserted under Article 2 or Article 9; (G) assume, on behalf of both of Sellers and Seller Owners, the defense of any claim that is the basis of any claim asserted under Article 2 or Article 9; and (H) file and prosecute appeals from any decision, judgment or award rendered in any of the foregoing Claims, it being understood that the Representative shall not have any obligation to take any such actions, and shall not have liability for any failure to take such any action;

(iii) to enforce payment of any amounts payable to Sellers and Seller Owners, in each case on behalf of Sellers and Seller Owners, in the name of the Representative;

(iv) to authorize, if required, the reduction and offset against the Holdback Cash Consideration the full amount of any Indemnified Loss in favor of any Indemnified Party pursuant to Article 9 and also any other amounts to be paid to Parent pursuant to this Agreement;

(v) to receive and cause to be paid to Sellers in accordance with Article 2 any distributions received by the Representative;

(vi) to waive or refrain from enforcing any right of Sellers, Seller Owners and the Hospitality Subsidiaries and/or of the Representative arising out of or under or in any manner relating to this Agreement or any Ancillary Agreement; and

(vii) to make, execute, acknowledge and deliver all such other agreements, guarantees, orders, receipts, endorsements, notices, requests, instructions, certificates, stock powers, letters and other writings, and, in general, to do any and all things and to take any and all action that the Representative, in its sole and absolute direction, may consider necessary or proper or convenient in connection with or to carry out the activities described in paragraphs (i) through (vii) above and the transactions contemplated in this Agreement and the Ancillary Agreements.

(b) The Buyer Parties, the Indemnified Parties, the Seller Parties, the Hospitality Subsidiaries and each of their respective Affiliates will be entitled to rely exclusively upon the communications of the Representative relating to the foregoing as the communications of Sellers, Seller Owners and the Hospitality Subsidiaries. None of such Persons (a) need be concerned with the authority of the Representative to act on behalf of Sellers, Seller Owners or the Hospitality Subsidiaries hereunder, or (b) will be held liable or accountable in any manner for any act or omission of the Representative in such capacity. Any notices delivered to the Representative in connection with Article 9 hereof shall constitute notice to each of Sellers, Seller Owners and the Hospitality Subsidiaries.

(c) The grant of authority provided for in Section 10.1(i) is coupled with an interest and is being granted, in part, as an inducement to the Seller Parties and the Buyer Parties to enter into this Agreement and will be irrevocable and survive the death, incompetency, bankruptcy or liquidation of any Seller, Seller Owner or
Hospitality Subsidiary and will be binding on any successor thereto, and (ii) will survive any distribution from the Holdback Cash Consideration.

(d) In the event that the individual authorized hereunder as a Representative shall die, become incapacitated, resign, or otherwise fail to act on behalf of Sellers, Seller Owners and the Hospitality Subsidiaries for any reason, Tamara Farley shall serve as a replacement and if he refuses to serve or is otherwise unable to serve, the Seller Owners who held immediately prior to the Closing no less than 51% of the issued and outstanding Seller Interests held by all Seller Owners shall promptly appoint a new Representative and notify Parent of the identity of and contact information for such successor.

10.2 Compensation; Exculpation; Indemnity.

(a) The Representative will not be entitled to any fee, commission or other compensation for the performance of its service hereunder.

(b) In dealing with this Agreement and any instruments, agreements or documents relating thereto, and in exercising or failing to exercise all or any of the powers conferred upon the Representative hereunder or thereunder, as between the Representative and Seller Parties, (i) the Representative will not assume any, and will incur no, responsibility whatsoever to Seller Parties by reason of any error in judgment or other act or omission performed or omitted hereunder or in connection with this Agreement or any other Ancillary Agreement, unless by the Representative’s gross negligence or willful misconduct, and (ii) the Representative will be entitled to rely on the advice of counsel, public accountants or other independent experts experienced in the matter at issue, and any error in judgment or other act or omission of the Representative pursuant to such advice will in no event subject the Representative to liability to any Seller Party unless by the Representative’s gross negligence or willful misconduct.

(c) Sellers shall indemnify the Representative up to, but not exceeding, an amount equal to the aggregate portion of the cash amounts received by Sellers under Article 2 of this Agreement, against all damages, liabilities, claims, obligations, costs and expenses, including reasonable attorneys’, accountants’ and other experts’ fees and the amount of any judgment against it, of any nature whatsoever, arising out of or in connection with any claim or in connection with any appeal thereof, relating to the acts or omissions of the Representative hereunder, under an Ancillary Agreement or otherwise, except for such damages, liabilities, claims, obligations, costs and expenses, including reasonable attorneys’, accountants’ and other experts’ fees and the amount of any judgment against the Representative that arise from the Representative’s gross negligence or willful misconduct, including the willful breach of this Agreement or an Ancillary Agreement. The foregoing indemnification shall not be deemed exclusive of any other right to which the Representative may be entitled with respect to Sellers apart from the provisions hereof. In the event of any indemnification under this Section 10.2(c), Sellers shall promptly deliver to the Representative full payment of his, her or its ratable share of such indemnification claim.

(d) All of the indemnities, immunities and powers granted to the Representative under this Agreement will survive the Closing and/or any termination of this Agreement.

ARTICLE 11
MISCELLANEOUS

11.1 Survival of Representations, Warranties, and Covenants. Regardless of any investigation at any time made by or on behalf of any Party hereto or of any information any Party may have in respect thereof, each of the representations and warranties made in this Agreement or any Ancillary Agreement will survive the Closing as provided below, and any claim for indemnification with respect thereto must be brought within the applicable limitations period listed below:

(a) any claim for indemnification in connection with, based upon, resulting from, attributable to, related to, or arising out of fraud, intentional misrepresentation or willful breach may be made at any time following the Closing Date;

(b) any claim for indemnification in connection with, based upon, resulting from, attributable to, related to, or arising out of Fundamental Claims may be made at any time following the Closing Date until the six-year anniversary of the Closing Date; and
all other claims for Indemnified Representation Losses must be brought on or before the three-year anniversary of the Closing Date.

Any covenant or agreement to be performed after the Closing shall survive the Closing. Following the date of termination of a representation or warranty, no claim for indemnification may be made for breach or inaccuracy of such representation or warranty, but no such termination will affect any claim for a breach of a representation or warranty that was asserted in writing pursuant to Article 9 before the date of the termination of such representation or warranty.

11.2 No Waiver Relating to Certain Claims. The liability of any Party under Article 9 will be in addition to, and not exclusive of, any other liability that such Party may have at law or equity based on fraud, intentional misrepresentation or willful breach. None of the provisions set forth in this Agreement, including the provisions set forth in Article 9, will be deemed a waiver by any Party of any right or remedy which such Party may have at law or equity based on fraud, intentional misrepresentation or willful breach.

11.3 Expenses. Except as expressly set forth herein otherwise, each Party will bear its own fees and expenses incurred in connection with, relating to or arising out of the evaluation, negotiation, preparation for, and consummation of this Agreement and the transactions contemplated herein, including all fees and expenses of agents, representatives, counsel and accountants, and any such expenses incurred by the Sellers that have not otherwise been paid or satisfied by Sellers prior to Closing ("Seller Transaction Expenses") shall be paid by Sellers prior to or at Closing and Sellers shall pay the Seller Transaction Expenses as incurred or when due after Closing; provided, however, that the filing and other fees incurred in connection with filings under the HSR Act or any other Antitrust Laws shall be paid one-half by Sellers and one-half by Parent. In the event of termination of this Agreement, the obligation of each Party to pay its own expenses will be subject to any rights of such Party arising from a breach of this Agreement by another Party.

11.4 Publicity. Except for statements made or press releases issued (a) pursuant to the Securities Act or the Exchange Act, and the rules and regulations promulgated thereunder; (b) pursuant to any listing agreement with any national securities exchange or the Nasdaq Stock Market; or (c) as otherwise required by law, none of the Seller Parties, on the one hand, or the Buyer Parties, on the other, will issue any press release or otherwise make any public statements with respect to this Agreement or the transactions contemplated herein without the express prior written approval of Parent and the Representative.

11.5 Notices.

(a) All notices, demands and other communications permitted or required to be given with respect to this Agreement shall be in writing and shall be given by one of the following methods (all charges prepaid and properly addressed to the addresses set forth in Section 11.5(b)): (i) by personal delivery, in which case the notice, demand or communication will be deemed given upon receipt; (ii) by facsimile or e-mail, in which case the notice, demand or communication will be deemed given upon the date of confirmed receipt; (iii) by prepaid, nationally recognized overnight courier service, in which case the notice, demand or communication will be deemed given one business day after deposit with such overnight courier service; or (iv) by first class U.S. mail (return receipt requested), in which case the notice, demand or communication will be deemed given five business days after being deposited into the U.S. mail.

(b) All notices, demands and communications sent pursuant to this Section 11.5 must be addressed as follows:

If to Representative or to any Seller Party or Hospitality Subsidiary:

Bruce Barfield
4550 North Point Parkway, Suite 400
Alpharetta, Georgia 30022
Facsimile: (678) 461-8851
Email: bbarfield@letitrain.com

With a copy (which will not itself constitute notice) to:

Krevolin & Horst, LLC
1201 West Peachtree St.
Suite 3250
Atlanta, GA 30309
Attn: Douglas P. Krevolin; Gerardo M. Balboni II
Facsimile: (404) 812-3111
Email: krevolin@khlawfirm.com
gbalboni@khlawfirm.com

With a copy (which will not itself constitute notice) to:

Goodwin Proctor LLP
135 Commonwealth Drive
Menlo Park, CA 94025
Attention: William Davisson

If to Buyer or Parent:
RealPage, Inc.
2201 Lakeside Boulevard
Richardson, TX 75082
Attention: Chief Executive Officer
Facsimile: (972) 820-3052
Email: steve.winn@realpage.com

With a copy (which will not itself constitute notice) to:
RealPage, Inc.
2201 Lakeside Boulevard
Richardson, TX 75082
Attention: Chief Legal Officer
Facsimile: (972) 820-3052
Email: david.monk@realpage.com

With a copy (which will not itself constitute notice) to:
Baker Botts L.L.P.
2001 Ross Avenue, Suite 700
Dallas, TX 75201
Attention: Don McDermett; Courtney York
Email: don.mcdermett@bakerbotts.com;
courtney.york@bakerbotts.com

(a) A Party may change its contact information set forth in Section 11.5(b) by giving notice pursuant to this Section

11.6 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither this Agreement nor any of the rights,
interests or obligations hereunder shall be assigned by any of the Parties, whether by operation of law or otherwise, without the prior written consent of all other Parties. Any purported assignment without such consent shall be null and void; provided, however, that upon notice to Sellers (or, following the Closing, to the Representative), any of the Buyer Parties may assign or delegate any or all of their rights or obligations under this Agreement to any Affiliate thereof so long as such assignment or delegation does not relieve the assigning or delegating party from its obligations under this Agreement; and provided, further, that the Buyer Parties may assign their respective rights under this Agreement to their lenders as collateral security for their obligations under any of their secured debt financing arrangements.

11.7 **Third Party Beneficiaries.** None of the provisions of this Agreement or any document contemplated in this Agreement is intended to grant any right or benefit to any Person that is not a party to this Agreement; provided, that the Indemnified Parties shall be entitled to enforce as third party beneficiaries the indemnification rights set forth in Article 9 as if they were a party hereto.

11.8 **Amendments.** Any waiver, amendment, modification or supplement of or to any term or condition of this Agreement shall be effective only if in writing and signed by all Parties to this Agreement (or, following the Closing, by the Parent and the Representative).

11.9 **Waiver.** The rights and remedies of the Parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. Any failure of a Party to comply with any obligation, covenant, agreement or condition contained in this Agreement may be waived only if set forth in a written instrument signed by the Party or Parties to be bound by such waiver (including, if such waiver is after the Closing, the third party beneficiaries set forth in Section 11.7), but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any other failure.

11.10 **Governing Law.** This AGREEMENT AND ANY MATTER OR DISPUTE ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO THE LAWS OR RULES OF THE STATE OF DELAWARE RELATING TO CONFLICT OF LAWS.

11.11 **Resolution of Disputes.**

(a) No Party shall institute a proceeding in any court or administrative agency to resolve a dispute between the Parties arising out of or related to this Agreement before that Party has sought to resolve the dispute through direct negotiation with the other Party.

(b) If the dispute is not resolved within three weeks after a demand for direct negotiation, the Parties shall attempt to resolve the dispute through mediation in Denver, Colorado, administered by the American Arbitration Association under its commercial mediation rules and procedures then in effect.

(c) If the mediator is unable to facilitate a settlement of the dispute within a reasonable period of time, as determined by the mediator, the mediator shall issue a written statement to the Parties to that effect and the aggrieved Party may then seek relief in the state or federal courts located in Denver, Colorado.

(d) Each Party consents to the exclusive personal and subject matter jurisdiction of the mediation and arbitration proceedings as provided in this Section 11.11 and, as provided in Section 11.11(c), the state and federal courts located in Denver, Colorado, and waives any defense based upon forum non conveniens or lack of personal or subject matter jurisdiction.

(e) Notwithstanding any other provision of this Agreement, including this Section 11.11, each Party shall have the right to at any time apply to any court of competent jurisdiction for preliminary injunctive relief.

11.12 **Severability.** In the event that any provision in this Agreement shall be determined to be invalid, illegal or unenforceable in any respect, the remaining provisions of this Agreement shall not be in any way impaired, and the illegal, invalid or unenforceable provision shall be fully severed from this Agreement and there

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shall be automatically added a replacement provision as similar in terms and intent to such severed provision as may be legal, valid and enforceable.

11.13 **Headings.** The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of this Agreement and shall not in any way affect the meaning or interpretation of this Agreement.

11.14 **Construction and Certain Definitions.**

(a) Each Party to this Agreement and its counsel have reviewed and participated in the negotiation and drafting of this Agreement. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or of any amendments, Schedules or Exhibits to this Agreement.

(b) References to this Agreement are references to this Agreement and to the Schedules and Exhibits to this Agreement.

(c) References to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced by the parties thereto from time to time.

(d) References to Sections and Articles are references to sections and articles of this Agreement.

(e) References to a party to this Agreement shall include its respective successors and permitted assigns.

(f) The word “including” shall mean “including without limitation”, unless followed by the word “only.”

(g) The gender of all words in this Agreement includes the masculine, feminine and neuter, and the number of all words in this Agreement include the singular and plural.

(h) The phrase “date of this Agreement” and similar terms shall mean the date set forth in the introductory clause of this Agreement.

11.15 **Entire Agreement.** This Agreement and the Schedules and Exhibits to this Agreement, together with the Confidentiality Agreement, and the documents and instruments delivered pursuant to this Agreement, constitute the entire contract between the Parties pertaining to the subject matter of this Agreement and supersede all prior and contemporaneous agreements, letters of intent, term sheets and understandings, whether written or oral, between the Parties with respect to such subject matter.

11.16 **Specific Performance.** The Parties agree that irreparable damage would occur in the event that any of the provisions of Sections 6.11 and 11.4 of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, (a) the Buyer Parties shall be entitled to seek an injunction or injunctions, without the posting of any bond, to prevent breaches of Sections 6.11 and 11.4 of this Agreement and to enforce specifically the terms of such Sections 6.11 and 11.4 of this Agreement, in addition to any other remedy to which such Party is entitled at law or in equity and (b) the Sellers shall be entitled to seek an injunction or injunctions, without the posting of any bond, to prevent breaches of Section 11.4 of this Agreement by the Buyer Parties and to enforce specifically the terms and provisions of such Section 11.4 of this Agreement.

11.17 **Counterparts; Electronic Delivery.** This Agreement may be executed and delivered by facsimile or other electronic means and in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature pages follow.]
IN WITNESS WHEREOF, each of the Parties has signed this Agreement, or has caused this Agreement to be signed by its duly authorized officer, as of the date first above written.

PARENT:

REALPAGE, INC.

By: /s/ Stephen T. Winn
Name: Stephen T. Winn
Title: Chief Executive Officer

BUYER:

RP NEWCO XX LLC

By: RealPage, Inc., its sole member

By: /s/ Steven T. Winn
Name: Stephen T. Winn
Title: Chief Executive Officer

[Signature Page to Asset Purchase Agreement]
SELLERS:

THE RAINMAKER GROUP HOLDINGS, INC.

By: /s/ Bruce A. Barfield
Name: Bruce A. Barfield
Title: President

THE RAINMAKER GROUP VENTURES, LLC

By: /s/ Bruce A. Barfield
Name: Bruce A. Barfield
Title: Chief Executive Officer

THE RAINMAKER GROUP REAL ESTATE, LLC

By: The Rainmaker Group Holdings, Inc., its Manager
By: /s/ Bruce A. Barfield
Name: Bruce A. Barfield
Title: President

THE RAINMAKER GROUP - RENT JUNGLE LLC

By: The Rainmaker Group Holdings, Inc., its Manager
By: /s/ Bruce A. Barfield
Name: Bruce A. Barfield
Title: President

THE RAINMAKER GROUP DATA, LLC

By The Rainmaker Group Holdings, Inc., its Manager
By: /s/ Bruce A. Barfield
Name: Bruce A. Barfield
Title: President

[Signature Page to Asset Purchase Agreement]
SELLER OWNERS:

/s/ Bruce Barfield
Bruce Barfield

/s/ Tamara Farley
Tamara Farley

THE BRUCE ALLEN BARFIELD TRUST, dated as of December 27, 2011

By: /s/ Douglas P. Krevolin
Name: Douglas P. Krevolin
Title: Trustee

THE TAMARA TANNER FARLEY TRUST, dated as of December 27, 2011

By: /s/ Douglas P. Krevolin
Name: Douglas P. Krevolin
Title: Trustee

/s/ John C. Alexander
John C. Alexander

REPRESENTATIVE:

By: /s/ Bruce Barfield
Bruce Barfield, in his capacity as
Representative

[Signature Page to Asset Purchase Agreement ]
HOSPITALITY SUBSIDIARIES:

THE RAINMAKER GROUP LAS VEGAS, LLC

By: The Rainmaker Group Holdings, Inc., its Manager
By: /s/ Bruce A. Barfield
Name: Bruce A. Barfield
Title: President

THE RAINMAKER GROUP REVCASTER, LLC

By: The Rainmaker Group Holdings, Inc., its Manager
By: /s/ Bruce A. Barfield
Name: Bruce A. Barfield
Title: President

RAINMAKER GROUP ASIA PACIFIC, PTE. LTD.

By: /s/ Bruce A. Barfield
Name: Bruce A. Barfield
Title: Director

By: /s/ Tamara T. Farley
Name: Tamara T. Farley
Title: Director

[Signature Page to Asset Purchase Agreement ]
ANNEX I

DEFINITIONS

“Acquisition Proposal” shall have the meaning set forth in Section 6.9.

“Affiliate” means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person. For purposes of this definition and this Agreement, the term “control” (and correlative terms) means the power, whether by contract, equity ownership or otherwise, to direct the policies or management of a Person.

“Agreement” shall have the meaning set forth in the Introduction.

“Allocation” shall have the meaning set forth in Section 2.8(a).

“Ancillary Agreements” shall mean any agreements executed in connection with the Closing to which any Party is a party, including the Seller Owner Ancillary Agreements, the Seller Ancillary Agreements and the Buyer Party Agreements, the Disclosure Schedule, and each other agreement, document, certificate and instrument required to be executed in accordance herewith.

“Annual Financial Statements” shall have the meaning set forth in Section 4.5(a).

“Antitrust Laws” shall mean, collectively, (a) the HSR Act; (b) the Sherman Antitrust Act of 1890, as amended; (c) the Clayton Act of 1914, as amended; (d) the Federal Trade Commission Act of 1914, as amended; and (e) any other applicable law designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade.

“Arbitrator” shall have the meaning set forth in Section 2.7(c)(ii).

“Assumed Contracts” shall have the meaning set forth in Section 2.1(a).

“Assumed Liabilities” shall have the meaning set forth in Section 2.3.

“Audited Carve-Out Financial Statements of the Business” shall mean the balance sheet of the Business as of December 31, 2015 and December 31, 2016, the related income statement of the Business for the fiscal years then ended, the related statement of cash flow of the Business for the fiscal years then ended, the related statement of Equity of the Business for the fiscal years then ended and the related notes to the financial statements of the Business for the fiscal years then ended.

“BB” shall have the meaning set forth in the Introduction.

“BB Trust” shall have the meaning set forth in the Introduction.

“Books and Records” shall have the meaning set forth in Section 6.6(a).

“Brokers’ and Finders’ Fees Liabilities” means any Liabilities related to a breach of Section 4.6 or any matter disclosed in a Schedule qualifying that Section.

“Business” shall have the meaning set forth in the Recitals.

“Business Confidential Information” means all proprietary or confidential information of any type, kind or character to the extent used or held for use in the Business, including the terms of this Agreement and all attachments hereto.

“Business Employee” and “Business Employees” shall have the meaning set forth in Section 4.20(b).

“Business Intellectual Property” shall have the meaning set forth in Section 4.14(a)(i).

“Business Registered Intellectual Property” shall have the meaning set forth in Section 4.14(a)(ii).

“Buyer” shall have the meaning set forth in the Introduction.

“Buyer Markets” shall have the meaning set forth in Section 6.20.

“Buyer Party Agreements” shall have the meaning set forth in Section 5.2.

“Buyer Party and Buyer Parties” shall have the meaning set forth in the Introduction.

“Carve-Out Adjustment Amount” shall have the meaning set forth in Section 2.6(a)(iv).
“Claims” shall have the meaning set forth in Section 4.14(i).
“Clawback” shall have the meaning set forth in Section 6.2(b).
“Closing” shall have the meaning set forth in Section 2.8(b).
“Closing Adjustment Amount” shall have the meaning set forth in Section 2.7.
“Closing Cash Consideration” shall have the meaning set forth in Section 2.5(a).
“Closing Date” shall have the meaning set forth in Section 2.8(b).
“Closing Working Capital Statement” shall have the meaning set forth in Section 2.7(b).
“COBRA” shall have the meaning set forth in Section 6.4(b).
“Code” shall mean the Internal Revenue Code of 1986, as amended.
“Competitor Business” means any business that competes (directly or indirectly) with, or is substantially similar to, the Business (as such Business was operated on or before the Closing Date), or that provides to any set or subset of the multifamily housing, single family housing, short term housing, or vacation rental housing markets any products or services that perform pricing or revenue management functions, or that otherwise are the same as, similar to, or alternatives for, those products and services provided by the Business.
“Competitor Technology” shall have the meaning set forth in Section 4.29(a).
“Compliance Liabilities” means any matters or Liabilities related to a breach of Section 4.16 or Section 4.20 or any matters disclosed in Section 4.16 or Section 4.20 of the Disclosure Schedule.
“Confidentiality Agreement” means that certain Mutual Confidentiality Agreement, dated as of June 28, 2016, by and between Parent and Seller.
“Consents” shall have the meaning set forth in Section 4.3.
“Contract” means any agreement, contract, terms of or conditions to use, obligation, promise, undertaking, lease, note, bond, mortgage, indenture, license, or purchase order (in each case, whether written or oral) that is or is purported to be legally binding, including any and all amendments and other modifications thereto.
“Copyleft Public Software” has the meaning set forth in Section 4.14(x).
“Copyrights” shall have the meaning set forth in Section 4.14(a)(iii).
“Customer” shall have the meaning set forth in Section 4.25.
“Customer Contract” shall have the meaning set forth in Section 4.25.
“Data” shall have the meaning set forth in Section 4.14(a).
“Disclosure Schedule” means the schedule delivered by Seller to the Buyer Parties concurrently with the execution and delivery of this Agreement, setting forth certain disclosure information to the Seller’s representations and warranties contained in Article 4.
“Domain Names” shall have the meaning set forth in Section 4.14(a)(iii).
“Employee Benefit Plan” means the following, whether written or oral and regardless of whether voluntarily sponsored or mandatorily sponsored pursuant to the applicable laws of any Governmental Body: (a) any nonqualified deferred compensation or retirement plan or arrangement that is an Employee Pension Benefit Plan; (b) any qualified defined contribution retirement plan or arrangement that is an Employee Pension Benefit Plan; (c) any qualified defined benefit retirement plan or arrangement that is an Employee Pension Benefit Plan; (d) any Employee Welfare Benefit Plan or fringe benefit plan or program; (e) any profit sharing, bonus, stock option, stock purchase, consulting, employment, severance or incentive plan, agreement or arrangement; (f) any plan, agreement or arrangement providing benefits related to clubs, vacation, childcare, parenting, sabbatical or sick leave; and (g) each other employee benefit plan, agreement, arrangement, program, practice or understanding that is not described previously in this definition.
“**Employee Pension Benefit Plan**” has the meaning set forth in Section 3(2) of ERISA and specifically includes, but is not limited to, any plan operated pursuant to the laws of any Governmental Body other than the United States.

“**Employee Welfare Benefit Plan**” has the meaning set forth in Section 3(1) of ERISA and specifically includes, but is not limited to, any plan operated pursuant to the laws of any Governmental Body other than the United States.

“**Employment Agreement**” means an employment agreement, in the form attached hereto as Exhibit A-1, between the Parent and each Key Employee.

“**Environmental Claim**” means any written complaint, notice, claim, demand, action, suit or judicial, administrative or arbitration proceeding asserting liability or potential liability (including liability or potential liability for investigatory costs, cleanup costs, governmental response costs, natural resource damages, property damage, personal injury, fines or penalties) arising out of, relating to, based on or resulting from: (i) the presence, discharge, emission, release or threatened release of a Hazardous Material, (ii) circumstances forming the basis of any violation or alleged violation of any Environmental Laws or Environmental Permits, (iii) the exposure of any person to a Hazardous Material, or (iii) otherwise relating to obligations or liabilities under any Environmental Law.

“**Environmental Laws**” shall mean any applicable federal, state, territorial, provincial, foreign or local law, common law doctrine, rule, order, decree, judgment, injunction, license, permit or regulation relating to environmental matters, including those pertaining to land use, air, soil, surface water, ground water (including the protection, cleanup, removal, remediation or damage thereof), public or employee health or safety or any other environmental matter, together with any other laws (federal, state, territorial, provincial, foreign or local) relating to emissions, discharges, releases or threatened releases of any Hazardous Material, including medical, chemical, biological, biohazardous or radioactive waste and materials, into ambient air, land, surface water, groundwater, personal property, structures, or the environment or otherwise relating to or regulating the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, discharge or handling of any Hazardous Material, including CERCLA, the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. 2601 et seq.), and OSHA (29 U.S.C. 651 et seq.), as such laws have been amended and are in effect as of the date hereof, and any analogous or similar federal or state or local laws, statutes and regulations promulgated thereunder as are in effect as of the date hereof.

“**Environmental Permits**” means any Governmental Permit under or issued pursuant to any Environmental Law.


“**ERISA Affiliate**” means any subsidiary or other entity that would be considered a single employer with the Seller or a subsidiary within the meaning of Section 414 of the Code.

“**Estimated Working Capital**” and “**Estimated Working Capital Certificate**” shall have the meaning set forth in Section 2.7(a).


“**Excluded Assets**” shall have the meaning set forth in Section 2.2.

“**Excluded Contracts**” shall have the meaning set forth in Section 2.2(g).

“**Excluded Liabilities**” shall have the meaning set forth in Section 2.4.

“**Final Allocation**” shall have the meaning set forth in Section 2.8(a).

“**Final Working Capital**” shall have the meaning set forth in Section 2.7(b).

“**Financial Statements**” shall have the meaning set forth in Section 4.5(a).

“**Foreign Export and Import Laws**” means the laws and regulations of a foreign government regulating exports, imports or re-exports to or from the foreign country, including the export or re-export of any goods, services or technical data.
“Fundamental Claims” means claims for breaches or inaccuracies of any Fundamental Representations.

“Fundamental Representations” shall mean those representations and warranties of the Seller Parties contained in Section 3.1 (Authority as a Seller Owner), Section 3.2 (Seller Interest Ownership), Section 4.1 (Organization and Good Standing; Governing Documents; Authority), Section 4.2 (No Conflict or Breach), Section 4.3 (Consents and Approvals), Section 4.4 (Capital Structure), Section 4.6 (Brokers), Section 4.7 (Taxes), Section 4.8 (Title to Purchased Assets; Liens), Section 4.14 (Intellectual Property) and Section 4.25 (Related Party Transactions).

“GAAP” shall mean generally accepted accounting principles in the United States.

“Governing Documents” shall mean, with respect to any entity, its certificate or articles of incorporation and corporate bylaws (in the case of a corporation); its articles of organization and operating agreement (in the case of a limited liability company); or comparable documents if the entity’s form of legal organization is other than a corporation or limited liability company.

“Governmental Body” shall mean any federal, state, local, municipal, foreign, or other government; or governmental or quasi-governmental authority of any nature (including any legislature, commission, regulatory or administrative authority, governmental agency, bureau, branch, department, official, commission or entity and any court, arbiter or other tribunal).

“Governmental Permits” shall have the meaning set forth in Section 4.17(a).

“Hazardous Material” shall mean (i) any hazardous waste, hazardous substance, toxic pollutant, hazardous air pollutant or hazardous chemical (as any of such terms may be defined under, or for the purpose of, any Environmental Law); (ii) asbestos; (iii) polychlorinated biphenyls; (iv) petroleum or petroleum products; (v) underground storage tanks, whether empty, filled or partially filled with any substance; (vi) any substance the presence of which on the property in question is prohibited under any Environmental Law; (vii) any material regulated, listed, referred to, limited or prohibited as a danger to health or the environment or under any Environmental Law; or (viii) any other substance that under any Environmental Law requires special handling or notification of or reporting to any Governmental Body in its generation, use, handling, collection, treatment, storage, recycling, treatment, transportation, recovery, removal, discharge or disposal.

“HIPAA” shall mean the Health Insurance Portability and Accountability Act of 1996, as amended, including any regulations and other official government guidance promulgated thereunder.

“Hire Date” shall have the meaning set forth in Section 6.4(a).

“HITECH Act” shall mean the Health Information Technology for Economic and Clinical Health Act, as amended, including any regulations and other official government guidance promulgated thereunder.

“Holdback Cash Consideration” shall have the meaning set forth in Section 2.5(b).

“Hospitality Subsidiaries” means each of The Rainmaker Group Las Vegas, LLC, The Rainmaker Group Revcaster, LLC and Rainmaker Group Asia Pacific, Pte. Ltd.

“HSR Act” shall mean the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended.

“Incorporated Software” shall have the meaning set forth in Section 4.14(x).

“Indebtedness” means, with respect to Seller, (i) any indebtedness for borrowed money (including the principal amount thereof, any accrued interest thereon and any prepayment premiums or termination fees with respect thereto), whether short term or long term, (ii) any indebtedness arising under capitalized leases, conditional sales contracts or other similar title retention instruments, whether short term or long term, (iii) all liabilities secured by any Lien on any property owned by Seller, (iv) all liabilities under any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement or other similar agreement, (v) all indebtedness for the deferred purchase price of property or services, (vi) any indebtedness evidenced by any note, bond, debenture, mortgage or other debt instrument or debt security, (vii) all Liabilities under any letters of credit, (viii) all interest, fees or other expenses owed with respect to indebtedness described in the foregoing clauses (i) through (vii), and (ix) all indebtedness referred to in the foregoing clauses (i) through (viii) which is directly or indirectly guaranteed by Seller or any of its Subsidiaries or that is secured by the assets or properties of Seller or any of its Subsidiaries.
“Indemnified Losses” means (a) all Indemnified Representation Losses; and (b) all damages, losses, claims, liabilities, obligations, demands, Taxes, charges, suits, judgments, penalties, fines, awards, settlements, fees, costs, and expenses (including court costs, attorneys’ fees and costs and other expenses incurred, sustained, suffered, paid or properly accrued (in accordance with GAAP consistently applied) in investigating, defending against, prosecuting and preparing for, or otherwise in connection with, any litigation, claim, demand or proceeding or threatened litigation, claim, demand or proceeding) in connection with, based upon, resulting from, attributable to, related to, or arising out of (i) any violation, breach or default by any Seller Party, Hospitality Subsidiary or the Representative under this Agreement or any Ancillary Agreement, or failure by any of them to comply with, perform or observe, or to have complied with, performed or observed, any covenant, agreement, obligation or condition to be complied with, performed or observed by any of them pursuant to, this Agreement or any Ancillary Agreement; (ii) any action by any Seller Party’s Board of Directors, members or managers that are not reflected in the minute book made available to Buyer by Sellers; (iii) claims that any Seller Party has infringed, misappropriated or otherwise violated the Intellectual Property Rights of any Person or that Buyer, in the operation of the Business after the Closing, has infringed, misappropriated or otherwise violated the Intellectual Property Rights of any Person by operating the Business or the Purchased Assets in a manner not materially different than the same were operated by Sellers prior to the Closing (collectively, the “IP Matters”), but for purposes of clarification, this clause (iii) and term “IP Matters” are not intended to include claims for infringement, misappropriation or other violations of the Intellectual Property Rights of any Person beginning after the Closing caused by a change in the manner in which the Buyer Parties operate the Business or the Purchased Assets; (iv) any Seller Transaction Expenses that are not paid or satisfied as of the Closing Date; (v) the ownership, control or operation of the Purchased Assets or the Business prior to the Closing; or (vi) any Excluded Liability (including all Litigation Obligations, Compliance Liabilities, Intellectual Property Liabilities, Pre-Closing Environmental Liabilities and Seller Transaction Expenses).

“Indemnified Party” and “Indemnified Parties” means each of the Buyer Parties, each manager, officer, director, employee, consultant, stockholder, and Affiliate of each of the Buyer Parties, and each member of an ERISA Group in which any of the Buyer Parties is a member, and all of the foregoing collectively.

“Indemnified Representation Losses” means any and all damages, losses, claims, liabilities, obligations, demands, Taxes, charges, suits, judgments, penalties, fines, awards, settlements, fees, costs, and expenses (including court costs, attorneys’ fees and costs and other expenses incurred, sustained, suffered, paid or properly accrued (in accordance with GAAP consistently applied) in investigating, defending against, prosecuting and preparing for, or otherwise in connection with, any litigation, claim, demand or proceeding or threatened litigation, claim, demand or proceeding) in connection with, based upon, resulting from, attributable to, related to, or arising out of any breach or inaccuracy by any Seller Party or any Hospitality Subsidiary of any of its, his or her representations or warranties under this Agreement or any of the Ancillary Agreements, the Disclosure Schedule, or any of the certificates described in Section 7.2.

“Indemnifying Party” and “Indemnifying Parties” means the Seller Parties, and all of them collectively.

“Indemnifying Party” and “Indemnifying Parties” means the Seller Parties, and all of them collectively.


“Intangible Property Rights” shall have the meaning set forth in Section 4.14(a)(iii).

“IrS” shall mean the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury and, to the extent relevant, the counterpart agencies of other countries.

“Ja” shall have the meaning set forth in the Introduction.

“Key Employee” and “Key Employees” shall have the meanings set forth in Section 4.20(a).

“Leased Real Property” shall have the meaning set forth in Section 4.9(b)(i).

“Liabilities” shall mean any liabilities (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liabilities for Taxes.

“License Agreement” shall mean the License Agreement to be entered into by and among the Sellers, the Hospitality Parties and the Buyer Parties as of the Closing, in the form attached hereto as Exhibit H.

“Lien Instrument” shall have the meaning set forth in Section 4.8(a).
“Liens” means any charge, lien, mortgage, deed of trust, pledge, security interest, charge, option, right of first refusal, easement, servitude, community property interest, conditional sale or other title retention agreement, restrictive covenant, encroachment, encumbrance, claim, restriction, title defect or limitation, hypothecation, or other similar restriction, or any agreement to provide any of the foregoing.

“Litigation Obligations” means any matters or Liabilities related to a breach of Section 4.14(a) or any matters disclosed in Section 4.14(a) of the Disclosure Schedule.

“Mask Works” shall have the meaning set forth in Section 4.14(a)(iii).

“Material Adverse Change” or “Material Adverse Effect” when used with respect to Sellers or the Business means any result, occurrence, fact, change, event or effect (whether or not foreseeable or known as of the Effective Date) that, individually or in the aggregate with any such other results, occurrences, facts, changes, events or effects, is or could reasonably be expected to be (regardless of whether such result, occurrence, fact, change, event or effect has, during the period or at any time in question, manifested itself in Sellers’ historical consolidated financial statements) materially adverse to the business, operations, assets, financial condition, results of operations, prospects, or capitalization of the Sellers or the Business or the ability of Sellers to consummate the transaction contemplated in this Agreement, any Seller Owner Ancillary Agreement, any Ancillary Agreement or any Transfer Document; provided, however, that in no event shall any of the following, either alone or in combination, be deemed to constitute or contribute to a Material Adverse Change or Material Adverse Effect, or otherwise be taken into account in determining whether a Material Adverse Change or Material Adverse Effect has occurred: (i) any change in U.S. economic, political or business conditions or financial, credit, debt or securities market conditions generally, including changes in interest rates, unless such change has a disproportionate effect on the Business, the Sellers, or the industry in which they operate; or (ii) any change resulting or arising from acts of war (whether or not declared), hostilities, sabotage, terrorism, military actions or the escalation of any of the foregoing, any hurricane, flood, tornado, earthquake or other natural disaster, or any other force majeure event, whether or not caused by any Person, or any national or international calamity or crisis.

“Material Customer” shall have the meaning set forth in Section 4.25.

“Material Supplier” shall have the meaning set forth in Section 4.25.

“Material Supplier Contract” shall have the meaning set forth in Section 4.25.

“Multiemployer Plan” shall have the meaning set forth in Section 4001(a)(3) of ERISA.

“Name Change” shall have the meaning set forth in Section 6.12.

“Offers” shall have the meaning set forth in Section 6.4(a).

“Order” means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by, or settlement under the jurisdiction of, any Governmental Body.

“Parent” shall have the meaning set forth in the Introduction.

“Party” shall mean a signatory to this Agreement and shall be referred to collectively as the “Parties.”

“Patents” shall have the meaning set forth in Section 4.14(a)(iii).

“Person” shall mean any natural person, partnership, trust, estate, association, limited liability company, corporation, custodian, nominee, governmental instrumentality or agency, body politic or any other entity in its own or any representative capacity.

“Personal Information” shall mean (i) any information that alone or in combination with other information held by Seller in proximity to such information can be used to specifically identify a natural person; (ii) information (other than name separated from any other information) from credit or debit cards of any Person; any protected health information as that term is defined under HIPAA or (iv) any protected health information as that term is defined under the HITECH Act.

“Post-Closing Tax Incentive” shall have the meaning set forth in Section 6.2(b).

“Post-Closing Tax Period” shall have the meaning set forth in Section 6.2(c).
“Pre-Closing Environmental Liabilities” means all Environmental Claims or Liabilities now or hereafter asserted against, resulting to, imposed on or incurred by any Person related to, in connection with or arising from: (i) any actual or alleged release, threatened release or presence of any Hazardous Material prior to the Closing on or from or affecting any of the Leased Real Property, any of the Purchased Assets or the Business; (ii) any actual or alleged violation of any Environmental Law prior to the Closing relating to, arising out of or in connection with Seller’s use of the Leased Real Property, the Business or any of the Purchased Assets; and (iii) any Environmental Claim made by any Person relating to, arising out of or in connection with (A) the Seller’s use of the Leased Real Property, the Business or any of the Purchased Assets prior to the Closing, (B) any act or omission of Seller or any of its Affiliates, or the officers, directors, agents, employees, contractors or representatives of Seller, or its Affiliates prior to the Closing, or (C) any condition of the Leased Real Property caused by Seller that existed prior to the Closing, (iv) indemnities or other contractual undertakings entered into by Seller prior to the Closing and whether or not included in the Assumed Contracts and whether or not such indemnities or other contractual undertakings are performed prior to or after the Closing, (v) the presence prior to or at the Closing of any Hazardous Material on, in, about, or under, any Purchased Asset or any Leased Real Property, or the soil, groundwater, surface water, ambient air, or building elements thereof, (vi) the conduct of the Business prior to the Closing or (vii) any actual or alleged violation of any Environmental Law prior to the Closing.

“Pre-Closing Tax Incentive” shall have the meaning set forth in Section 6.2(b).

“Pre-Closing Tax Period” shall have the meaning set forth in Section 2.4(g).

“Property Tax Filing Party” shall have the meaning set forth in Section 6.2(d).

“PTO” shall have the meaning set forth in Section 4.14(b).

“Public Software” shall have the meaning set forth in Section 4.14(x).

“Purchase Price” shall have the meaning set forth in Section 2.5.

“Purchased Assets” shall have the meaning set forth in Section 2.1.

“Real Property Leases” shall have the meaning set forth in Section 4.9(b).

“Receivables” shall have the meaning set forth in Section 4.13.

“Registered Intellectual Property” shall have the meaning set forth in Section 4.14(a)(iv).

“Related Party” means (i) any Seller Party; (ii) any manager, member, partner, shareholder, equityholder, director, or officer of any Seller Party, (iii) any family member of the individuals described in clauses (i) and (ii), and (iv) any Affiliate of any Seller Party.

“Release Date” shall have the meaning set forth in Section 2.6(c)(i).

“Released Party” shall have the meaning set forth in Section 6.17(a).

“Releasing Party” shall have the meaning set forth in Section 6.17(a).

“Representative” shall have the meaning set forth in the Introduction, and shall include any successor representative appointed in accordance herewith.

“Required Consents” shall have the meaning set forth in Section 7.2(f).

“Restricted Party” shall have the meaning set forth in Section 6.11(a).

“Retained Business” shall have the meaning set forth in the Recitals.

“RGD” shall have the meaning set forth in the Introduction.

“RGH” shall have the meaning set forth in the Introduction.

“RGRE” shall have the meaning set forth in the Introduction.

“RGV” shall have the meaning set forth in the Introduction.

“RRJ” shall have the meaning set forth in the Introduction.

“Rules” shall have the meaning set forth in Section 4.16(a).
“Section 1060 Forms” shall have the meaning set forth in Section 2.8(a).

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Seller(s)” shall have the meaning set forth in the Introduction. Except where the context otherwise requires, “Seller” shall include any Subsidiary of Seller.

“Seller Ancillary Agreements” shall have the meaning set forth in Section 4.1.

“Seller Benefit Plans” shall have the meaning set forth in Section 4.22(a).

“Seller Interests” shall have the meaning set forth in Section 3.2.

“Seller Owner(s)” shall have the meaning set forth in the Introduction.

“Seller Owner Ancillary Agreements” shall have the meaning set forth in Section 3.1 and shall include any agreements executed in connection with the Closing to which a Seller Owner is a party.

“Seller Parties” and “Seller Parties” shall have the meanings set forth in the Introduction.

“Seller Party Obligations” shall have the meaning set forth in Section 2.6(c).

“Seller Products” shall have the meaning set forth in Section 4.14(x).

“Seller Transaction Expenses” shall have the meaning set forth in Section 11.3.

“Significant Owner Agreement” shall mean each Significant Owner Agreement to be entered into by and between the Parent and each of the Persons listed in Section 7.2(o) as of the Closing, in the form attached hereto as Exhibit G.

“Significant Owner Agreement” shall mean each Significant Owner Agreement to be entered into by and between the Parent and each of the Persons listed in Section 7.2(o) as of the Closing, in the form attached hereto as Exhibit G.

“Special Claim” shall mean any Third-Party Action that (i) involves any possibility of criminal liability or any action by any Governmental Entity, (ii) seeks injunctive relief, specific performance or other equitable relief against an Indemnified Party, (iii) involves Taxes, (iv) involves Intellectual Property, (v) involves any matter that could have a material precedential effect on an Indemnified Party, or (vi) involves any customer of Parent, Buyer or their Subsidiaries.

“Specific Items” shall have the meaning set forth in Section 2.8(a).

“Specified Competitor” shall have the meaning set forth in Section 4.29(a).

“Standard Customer Contract” includes the forms of Contracts attached hereto as Exhibits D-1 through D-5.

“Straddle Period” shall have the meaning set forth in Section 6.2(d).

“Sublease” shall mean the Sublease to be entered into by and between RGV and the Buyer as of the Closing, in the form attached hereto as Exhibit F.

“Subsidiary” shall mean, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be or control any managing director or general partner of such business entity (other than a corporation). The term “Subsidiary” shall include all Subsidiaries of such Subsidiary.

“Support Documentation” shall have the meaning set forth in Section 2.7(b).

“Tail” shall have the meaning set forth in Section 6.7(b).

“Tangible Personal Property” shall have the meaning set forth in Section 4.10.

“Target Working Capital” shall have the meaning set forth in Section 2.7(a).
“Tax” or “Taxes” (and with correlative meaning, “Taxable” and “Taxing”) means (i) any federal, state, provincial, local, foreign or other income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and services, excise, margin, escheet or unclaimed property, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including taxes under Section 59A of the Code), natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers’ compensation, payroll, health care, withholding, estimated or other taxes, duties, levies or other similar governmental charges or assessments or deficiencies thereof (including all interest and penalties thereon and additions thereto whether disputed or not) and (ii) any liability in respect of any items described in clause (i) above by reason of (a) being a transferee or successor or by having been a member of a combined, affiliated, unitary, consolidated or similar group or otherwise by operation of law, or (b) by contract or otherwise.

“Tax Incentive” shall have the meaning set forth in Section 4.7.

“Tax Return” shall mean any return (including but not limited to any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any legal requirement relating to any Tax.

“Technology” shall have the meaning set forth in Section 4.14(a)(v).

“Termination Date” shall have the meaning set forth in Section 8.1(b).

“TF” shall have the meaning set forth in the Introduction.

“TF Trust” shall have the meaning set forth in the Introduction.

“Third Party Action” shall have the meaning set forth in Section 9.2(a).

“Third Party Claim Notice” shall have the meaning set forth in Section 9.2(a).

“Threshold” shall have the meaning set forth in Section 9.7(a).

“Trademarks” shall have the meaning set forth in Section 4.14(a)(iii).

“Trade Secrets” shall have the meaning set forth in Section 4.14(a)(iii).

“Transfer Documents” shall have the meaning set forth in Section 2.8(d).

“Transfer Taxes” shall have the meaning set forth in Section 6.2(a).

“Transfer Tax Filing Party” shall have the meaning set forth in Section 6.2(a).

“Transferred Employee” and “Transferred Employees” shall have the meaning set forth in Section 6.4(a).

“Transition Service Agreement” shall mean the Transition Services Agreement to be entered into by and among the Sellers and the Buyer Parties as of the Closing, in the form attached hereto as Exhibit E.

“Treasury Regulation” means the United States Treasury regulations promulgated under the Code.

“Unaudited Carve-Out Financial Statements of the Business” shall have the meaning set forth in Section 4.5(b).

“Unaudited Financial Statements” shall have the meaning set forth in Section 4.5(a).

“U.S. Export and Import Laws” means the Arms Export Control Act (22 U.S.C. 2778), the International Traffic in Arms Regulations (ITAR) (22 CFR 120-130), the Export Administration Act of 1979, as amended (50 U.S.C. 2401-2420), the Export Administration Regulations (EAR) (15 CFR 730-774), the Foreign Assets Control Regulations (31 CFR Parts 500-598), the laws and regulations administered by Customs and Border Protection (19 CFR Parts 1-199) and all other U.S. laws and regulations regulating exports, imports or re-exports to or from the United States, including the export or re-export of goods, services or technical data from the United States of America.

“Virus” shall have the meaning set forth in Section 4.14(z).
“WARN” shall have the meaning set forth in Section 4.20(e).

“Working Capital” shall mean the current assets of the Sellers (excluding cash), which are included in the Purchased Assets, minus the Assumed Liabilities, as determined in accordance with GAAP and the methodology described on Schedule 2.7 and in the manner consistent with Sellers’ accounting methods, assumptions and practices, to the extent consistent with GAAP. For the avoidance of doubt, the calculation of Working Capital shall exclude all assets and liabilities relating to the 2017 User Conference.

“Working Capital Objection Notice” shall have the meaning set forth in Section 2.7(c)(i).

“Working Capital Shortfall” shall have the meaning set forth in Section 2.7(d).
SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT (this “Amendment”) is dated as of February 15, 2017 and effective in accordance with Section 3 below, by and among REALPAGE, INC., a Delaware corporation (the “Borrower”), certain subsidiaries of the Borrower party hereto, certain of the Lenders referred to below, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as administrative agent for the Lenders party to the Credit Agreement (“Administrative Agent”).

STATEMENT OF PURPOSE:

WHEREAS, the Borrower, certain financial institutions party thereto (the “Lenders”) and the Administrative Agent have entered into that certain Credit Agreement dated as of September 30, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”);

WHEREAS, the Borrower has requested certain amendments to the Credit Agreement as set forth more fully herein;

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

Section 1. Capitalized Terms. All capitalized undefined terms used in this Amendment (including, without limitation, in the introductory paragraph and the statement of purpose hereto) shall have the meanings assigned thereto in the Credit Agreement (as amended by this Amendment).

Section 2. Amendments to Credit Agreement. Effective as of the Second Amendment Effective Date (as defined below) and subject to the terms and conditions set forth herein and in reliance upon representations and warranties set forth herein, the parties hereto agree that the Credit Agreement is amended as follows:

(a) The definition of “Consolidated EBITDA” set forth in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

“Consolidated EBITDA” means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for the Borrower and its Subsidiaries in accordance with GAAP:

(a) Consolidated Net Income for such period plus
(b) the sum of the following, without duplication, to the extent deducted in determining Consolidated Net Income for such period:

(i) provisions for taxes based on income, profits or capital, including federal, foreign and state income, franchise taxes, and similar taxes based on income, profits or capital paid or accrued during such period (including in respect of repatriated funds),

(ii) Consolidated Interest Expense,

(iii) amortization, depreciation and other non-cash charges, expenses or losses (except to the extent that such non-cash charges, expenses or losses are reserved for cash expenses to be taken in the future),

(iv) unusual or extraordinary losses (excluding extraordinary losses from discontinued operations),

(v) one-time restructuring and integration expenses (which for the avoidance of doubt, shall include, but not be limited to, retention, severance, systems establishment costs, contract termination costs, including future lease commitments, and costs to consolidate facilities and relocate employees) in an aggregate amount not to exceed $5,000,000 during any twelve (12) month period; provided that any such restructuring and integration expenses that relate to any Permitted Acquisition may only be included in this clause (v) to the extent incurred more than twelve (12) months following the consummation of such Permitted Acquisition,
(vi) one-time restructuring and integration expenses (which for the avoidance of doubt, shall include, but not be limited to, retention, severance, systems establishment costs, contract termination costs, including future lease commitments, and costs to consolidate facilities and relocate employees) incurred by the Borrower and its Subsidiaries in connection with, and directly related to, any Permitted Acquisition, only to the extent that such restructuring and integration expenses are incurred within twelve (12) months following the consummation of such Permitted Acquisition; provided that the aggregate amount added back in reliance on this clause (vi), together with amounts added back under clause (vii), shall not exceed twenty percent (20%) of Consolidated EBITDA for such period (calculated prior to giving effect to any such amounts added back under clauses (vi) and (vii)),

(vii) non-recurring costs, extraordinary expenses and other pro forma adjustments (including anticipated cost savings and other synergies) attributable to Specified Transactions that have been consummated during such period to the extent that such costs, expenses or adjustments (A) are reasonably expected to be realized within twelve (12) months of such Specified Transaction as set forth in reasonable detail on a certificate of a Responsible Officer of the Borrower delivered to the Administrative Agent and (B) are calculated on a basis consistent with GAAP and are, in each case, reasonably identifiable, factually supportable, and expected to have a continuing impact on the operations of the Borrower and its Subsidiaries; provided that (x) the aggregate amount added back in reliance on this clause (vii), together with amounts added back under clause (vi), shall not exceed twenty percent (20%) of Consolidated EBITDA for such period (calculated prior to giving effect to any such amounts added back under clauses (vi) and (vii)) and (y) the aggregate amount of cost savings and other synergies (actual or anticipated) added back in reliance on this clause (vii) shall not exceed fifteen percent (15%) of Consolidated EBITDA for such period (calculated prior to giving effect to any such amounts added back under this clause (vii)),

(viii) one-time out-of-pocket costs and expenses incurred by the Borrower and its Subsidiaries in connection with, and directly related to, (A) the Transactions, (B) any Permitted Acquisition, (C) issuances of any Equity Interests, (D) dispositions of any assets permitted hereunder, (E) incurrence, amendment, modification, refinancing or repayment of Indebtedness (in each case of clauses (B) through (E), whether or not successful), including, without limitation, legal, accounting and advisory fees, provided that to the extent incurred after the Closing Date or the consummation of the applicable transaction, such out-of-pocket costs and expenses may only be included to the extent that such out-of-pocket costs and expenses are incurred within twelve (12) months following the Closing Date or the consummation of such transaction, as applicable,

(ix) litigation fees, costs and expenses (but exclusive of any payments that are funded with proceeds of Borrower’s liability insurance) incurred by Borrower and its Subsidiaries during the preceding twelve (12) month period, not to exceed $5,000,000 in the aggregate for any such period,

(x) one-time facility consolidation, closing and relocation costs and expenses incurred in connection with the transition or relocation of the Borrower’s headquarters location and consolidation of the Borrower’s offices not currently a part of Borrower’s headquarters location, less

(c) the sum of the following, without duplication, to the extent included in determining Consolidated Net Income for such period:

(i) interest income,

(ii) any unusual or extraordinary gains; and

(iii) non-cash gains or non-cash items increasing Consolidated Net Income;
provided that, to the extent included in determining Consolidated Net Income for such period, Consolidated EBITDA shall be calculated so as to exclude (x) the effects of adjustments (including, without limitation, in connection with the fair value adjustment tied to the Borrower’s deferred revenue and fair value adjustments determined in accordance with GAAP related to Earn-outs, Holdbacks or other contingent consideration obligations) resulting from the application of purchase accounting related to the Transactions, any Acquisition consummated prior to the date hereof or any Permitted Acquisition or the amortization or write-off of any amounts thereof, net of Taxes and (y) the cumulative effect of any changes in GAAP or accounting principles applied by management during such period. For purposes of this Agreement, Consolidated EBITDA shall be calculated on a Pro Forma Basis.”

(b) The definition of “Pro Forma Basis” set forth in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

“Pro Forma Basis” means, for purposes of calculating Consolidated EBITDA for any period during which one or more Specified Transactions occurs, that such Specified Transaction (and all other Specified Transactions that have been consummated during the applicable period) shall be deemed to have occurred as of the first day of the applicable period of measurement and Consolidated EBITDA shall be determined by (a) with respect to any such Specified Disposition, excluding the Consolidated EBITDA attributable to the Property or Person disposed of in such Specified Disposition and (b) with respect to any such Permitted Acquisition, including the Consolidated EBITDA attributable to the Property or Person acquired in such Permitted Acquisition, in each case for such period (calculated based on the Consolidated EBITDA for such Property or Person prior to such acquisition, including any amounts added back or deducted pursuant to the definition of Consolidated EBITDA) (provided such Consolidated EBITDA to be included is reflected in financial statements or other financial data reasonably acceptable to the Administrative Agent and based upon reasonable assumptions and calculations which are expected to have a continuous impact); provided that the foregoing amounts shall be without duplication of any adjustments that are already included in the calculation of Consolidated EBITDA.

If a transaction which is conditioned on compliance on a Pro Forma Basis with the covenants set forth in Section 9.13 is consummated prior to the first date on which such covenant is required to be satisfied, the level required for such first date shall be deemed to apply for determining such compliance on a Pro Forma Basis.

Any Permitted Acquisition or incurrence of Indebtedness under Section 9.1(r) which is conditioned on, or determined by reference to, compliance on a Pro Forma Basis with Section 9.13, may include an increase in the required Consolidated Net Leverage Ratio under Section 9.13(a) to the extent permitted pursuant to the second paragraph of such Section if the Borrower has elected to exercise such increase by giving written notice to the Administrative Agent not less than five (5) Business Days’ prior to the consummation of such Permitted Acquisition or incurrence of Indebtedness.”

(c) Section 1.1 of the Credit Agreement is hereby amended by adding the following new definition of “Second Amendment Effective Date” in the appropriate alphabetical order to read as follows:

“Second Amendment Effective Date” means February 15, 2017.”

(d) Section 2.7(a) of the Credit Agreement is hereby amended by (i) replacing the reference therein to “First Amendment Effective Date” with “Second Amendment Effective Date” and (ii) replacing the reference therein to “$25,000,000” with “$150,000,000”.

Section 3. Conditions to Effectiveness. This Amendment shall be deemed to be effective upon the satisfaction or waiver of each of the following conditions to the reasonable satisfaction of the Administrative Agent (such date, the “Second Amendment Effective Date”):

(a) The Administrative Agent’s receipt of this Amendment, duly executed by each of the Credit Parties, the Administrative Agent, and the Required Lenders.

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(b) Payment of all expenses of the Administrative Agent, to the extent invoiced at least two (2) Business Days prior to the Second Amendment Effective Date (except as otherwise reasonably agreed to by the Borrower), required to be paid on the Second Amendment Effective Date.

(c) The representations and warranties in Section 4 of this Amendment shall be true and correct as of the Second Amendment Effective Date.

For purposes of determining compliance with the conditions specified in this Section 3, each Lender that has signed this Amendment 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 Second Amendment Effective Date specifying its objection thereto.

Section 4. Representations and Warranties. By its execution hereof, each Credit Party hereby represents and warrants to the Administrative Agent and the Lenders that, as of the date hereof after giving effect to this Amendment:

(a) each of the representations and warranties made by the Credit Parties in or pursuant to the Loan Documents is true and correct in all material respects (except to the extent that such representation and warranty is subject to a materiality or Material Adverse Effect qualifier, in which case it shall be true and correct in all respects), in each case, on and as of the date hereof as if made on and as of the date hereof, except to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date;

(b) no Default or Event of Default has occurred and is continuing as of the date hereof or after giving effect hereto;

(c) it has the right and power and is duly authorized and empowered to enter into, execute and deliver this Amendment and to perform and observe the provisions of this Amendment;

(d) this Amendment has been duly authorized and approved by such Credit Party’s board of directors or other governing body, as applicable, and constitutes a legal, valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law; and

(e) the execution, delivery and performance of this Amendment do not conflict with, result in a breach in any of the provisions of, constitute a default under, or result in the creation of a Lien (other than Permitted Liens) upon any assets or property of any of the Credit Parties, or any of their respective Subsidiaries, under the provisions of, such Credit Party’s or such Subsidiary’s organizational documents or any material agreement to which such Credit Party or Subsidiary is a party.

Section 5. Effect of this Amendment. On and after the Second Amendment Effective Date, references in the Credit Agreement to “this Agreement” (and indirect references such as “hereunder”, “hereby”, “herein”, and “hereof”) and in any Loan Document to the “Credit Agreement” shall be deemed to be references to the Credit Agreement as modified hereby. Except as expressly provided herein, the Credit Agreement and the other Loan Documents shall remain unmodified and in full force and effect. Except as expressly set forth herein, this Amendment shall not be deemed (a) to be a waiver of, or consent to, a modification or amendment of, any other term or condition of the Credit Agreement or any other Loan Document, (b) to prejudice any other right or rights which the Administrative Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement or the other Loan Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or otherwise modified from time to time, (c) to be a commitment or any other undertaking or expression of any willingness to engage in any further discussion with the Borrower or any other Person with respect to any waiver, amendment, modification or any other change to the Credit Agreement or the Loan Documents or any rights or remedies arising in favor of the Lenders or the Administrative Agent, or any of them, under or with respect to any such documents or (d) to be a waiver of, or consent to or a modification or amendment of, any other term or condition of any other
agreement by and among the Credit Parties, on the one hand, and the Administrative Agent or any other Lender, on the other hand.

Section 6. Costs and Expenses. The Borrower hereby reconfirms its obligations pursuant to Section 12.3 of the Credit Agreement to pay and reimburse the Administrative Agent and its Affiliates in accordance with the terms thereof.

Section 7. Acknowledgments and Reaffirmations. Each Credit Party (a) consents to this Amendment and agrees that the transactions contemplated by this Amendment shall not limit or diminish the obligations of such Person under, or release such Person from any obligations under, any of the Loan Documents to which it is a party, (b) confirms and reaffirms its obligations under each of the Loan Documents to which it is a party and (c) agrees that each of the Loan Documents to which it is a party remain in full force and effect and are hereby ratified and confirmed.

Section 8. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 9. Counterparts. This Amendment may be executed in any number of counterparts, and by different parties hereto in separate counterparts and by facsimile signature, each of which counterparts when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

Section 10. Electronic Transmission. Delivery of this Amendment by facsimile, telecopy or pdf shall be effective as delivery of a manually executed counterpart hereof; provided that, upon the request of any party hereto, such facsimile transmission or electronic mail transmission shall be promptly followed by the original thereof.

Section 11. Nature of Agreement. For purposes of determining withholding Taxes imposed under FATCA from and after the Second Amendment Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Credit Agreement (as amended by this Amendment) as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

[Signature Pages Follow]
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date and year first above written.

BORROWER:

REALPAGE, INC.

By: /s/ W. B. Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer & Treasurer

SUBSIDIARY GUARANTORS:

MULTIFAMILY INTERNET VENTURES, LLC

By: /s/ W. B. Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer & Treasurer of RealPage, Inc., Sole Member

PROPERTYWARE LLC

By: /s/ W. B. Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer & Treasurer of RealPage, Inc., Sole Member

LEVEL ONE LLC

By: /s/ W. B. Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer & Treasurer of RealPage, Inc., Sole Member

RP ABC LLC

By: /s/ W. B. Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer & Treasurer of RealPage, Inc., Sole Member

RealPage, Inc.
Second Amendment to Credit Agreement
Signature Page
REALPAGE VENDOR COMPLIANCE LLC

By: /s/ W. B. Hill  
Name: W. Bryan Hill  
Title: Executive Vice President, Chief Financial Officer & Treasurer of RealPage, Inc., Sole Member

VELOCITY UTILITY SOLUTIONS LLC

By: /s/ W. B. Hill  
Name: W. Bryan Hill  
Title: Executive Vice President, Chief Financial Officer & Treasurer of RealPage, Inc., Sole Member

KIGO, INC.

By: /s/ W. B. Hill  
Name: W. Bryan Hill  
Title: Executive Vice President, Chief Financial Officer & Treasurer

LEASESTAR LLC

By: /s/ W. B. Hill  
Name: W. Bryan Hill  
Title: Executive Vice President, Chief Financial Officer & Treasurer of RealPage, Inc., Sole Member

RP NEWCO XV LLC

By: /s/ W. B. Hill  
Name: W. Bryan Hill  
Title: Executive Vice President, Chief Financial Officer & Treasurer of RealPage, Inc., Sole Member

NWP SERVICES CORPORATION

By: /s/ W. B. Hill  
Name: W. Bryan Hill  
Title: Executive Vice President, Chief Financial Officer & Treasurer

RealPage, Inc.  
Second Amendment to Credit Agreement  
Signature Page
ADMINISTRATIVE AGENT AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Swingline Lender, Issuing Lender and Lender

By: /s/ Reid R. Landers
Name: Reid R. Landers
Title: Vice President

FIFTH THIRD BANK, as Lender

By: /s/ Glen Mastey
Name: Glen Mastey
Title: Managing Director

COMERICA BANK, as Lender

By: /s/ Charles Fell
Name: Charles Fell
Title: Vice President

BANK OF AMERICA, N.A., as Lender

By: /s/ Jennifer Yan
Name: Jennifer Yan
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., as Lender

By: /s/ Justin Kelley
Name: Justin Kelley
Title: Executive Director

REGIONS BANK, as Lender

By: /s/ Jason Douglas
Name: Jason Douglas
Title: Director

RealPage, Inc.
Second Amendment to Credit Agreement
Signature Page
CAPITAL ONE, NATIONAL ASSOCIATION, as Lender

By: /s/ Ali Zaidi
Name: Ali Zaidi
Title: Duly Authorized Signatory

RealPage, Inc.
Second Amendment to Credit Agreement
Signature Page
THIRD AMENDMENT TO CREDIT AGREEMENT AND INCREMENTAL AMENDMENT

This THIRD AMENDMENT TO CREDIT AGREEMENT AND INCREMENTAL AMENDMENT (this "Amendment") is dated as of February 27, 2017, and effective in accordance with Section 6 below, by and among REALPAGE, INC., a Delaware corporation (the "Borrower"), certain subsidiaries of the Borrower party hereto, each of the Existing Lenders referred to below, the lender identified on the signature pages hereto as "New Lender" (the "New Lender"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as administrative agent for the Lenders party to the Credit Agreement ("Administrative Agent").

STATEMENT OF PURPOSE:

WHEREAS, the Borrower, certain financial institutions party thereto (the "Existing Lenders" and, together with the New Lender, the "Lenders") and the Administrative Agent have entered into that certain Credit Agreement dated as of September 30, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower has requested an increase to the Incremental Term Loan-I in a principal amount of $200,000,000 in accordance with Section 2.7 of the Credit Agreement (the "Delayed Draw Term Loan");

WHEREAS, subject to the terms of this Amendment, each Lender has severally committed (such several commitments, the "Delayed Draw Term Loan Commitments") to make the Delayed Draw Term Loan;

WHEREAS, the New Lender has agreed to become a Lender;

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

Section 1. Capitalized Terms. All capitalized undefined terms used in this Amendment (including, without limitation, in the introductory paragraph and the statement of purpose hereto) shall have the meanings assigned thereto in the Credit Agreement (as amended by this Amendment).

Section 2. Amendments to Credit Agreement. Effective as of the Third Amendment Effective Date (as defined below) and subject to the terms and conditions set forth herein and in reliance upon representations and warranties set forth herein, the parties hereto agree that the Credit Agreement is amended as follows:

(a) General Amendments to Credit Agreement. The body of the Credit Agreement is hereby amended to delete the stricken text and to add the double-underlined text as set forth in the Credit Agreement attached as Annex A.

(b) Amendment to Schedule 1.1. Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety in the form of Annex B attached hereto.

Section 3. Delayed Draw Term Loan.

(a) Each Lender severally agrees to fund a portion of the Delayed Draw Term Loan equal to its Delayed Draw Term Loan Commitment to the Borrower on the Delayed Draw Funding Date in
accordance with and subject to the terms and conditions of Article IV of the Credit Agreement (as amended by this Amendment).

(b) On and as of the Third Amendment Effective Date, each Lender (i) shall be deemed to be an Incremental Lender with a Delayed Draw Term Loan Commitment, (ii) shall perform all of the obligations that are required to be performed by it as such under the Loan Documents and (iii) shall be entitled to the benefits, rights and remedies as such set forth in the Loan Documents.

(c) The Delayed Draw Term Loan shall be deemed to have been incurred (i) first, with respect to $150,000,000 in principal amount of the Delayed Draw Term Loan, under clause (A)(1) of the proviso in Section 2.7(a) of the Credit Agreement and (ii) second, under clause (A)(2) of the proviso in Section 2.7(a) of the Credit Agreement.

(d) This Amendment shall (i) be deemed to be an “Incremental Amendment” in accordance with Section 2.7(d)(iii) of the Credit Agreement and (ii) constitute a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents.

Section 4. New Lender Joinder. By its execution of this Amendment, the New Lender hereby acknowledges, agrees and confirms that, on and after the Third Amendment Effective Date:

(a) it will be deemed to be a party to the Credit Agreement as a “Lender”, a “Revolving Credit Lender” and a “Term Loan Lender” for all purposes of the Credit Agreement and the other Loan Documents, and shall have all of the obligations of, and shall be entitled to the benefits of, a Lender, a Revolving Credit Lender and a Term Loan Lender under the Credit Agreement as if it had executed the Credit Agreement;

(b) it will be bound by all of the terms, provisions and conditions contained in the Credit Agreement and the other Loan Documents;

(c) it has received a copy of the Credit Agreement, copies of the most recent financial statements delivered pursuant to Section 8.1 thereof and such other documents and information as it deems appropriate, independently and without reliance upon the Administrative Agent, the Arranger, any other Lender or any of their respective Affiliates, to make its own credit analysis and decision to enter into this Amendment and to become a Lender, a Revolving Credit Lender and a Term Loan Lender under the Credit Agreement;

(d) it will, independently and without reliance upon the Administrative Agent, the Arranger, any other Lender or any of their respective Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon the Credit Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder;

(e) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender, a Revolving Credit Lender and a Term Loan Lender; and

(f) it will provide any additional documentation (including, without limitation, any Assignment and Assumption to be executed in connection with this Amendment) to evidence its status as a Lender, a Revolving Credit Lender and a Term Loan Lender as of the Third Amendment Effective Date or as required to be delivered by it pursuant to the terms of the Credit Agreement.
Section 5. **Reallocation of Revolving Credit Commitments and Revolving Credit Exposure**

(a) As of the Third Amendment Effective Date and after giving effect to this Amendment, the Revolving Credit Commitments and Revolving Credit Commitment Percentages of the Lenders are as set forth on Annex B hereto.

(b) In connection with this Amendment, as of the Third Amendment Effective Date, (i) the outstanding Revolving Credit Loans and Revolving Credit Commitment Percentages of Swingline Loans and L/C Obligations will be reallocated by the Administrative Agent among the Lenders (including the New Lender) in accordance with their revised Revolving Credit Commitment Percentages and (ii) the Lenders (including the New Lender) hereby agree to purchase at par, and the Existing Lenders agree to sell at par, Revolving Credit Commitments and the related Revolving Credit Exposure, in each case in amounts such that, on the Third Amendment Effective Date, (i) each Lender's Revolving Credit Commitment Percentage shall equal the Revolving Credit Commitment Percentage set forth on Annex B hereto and (ii) each Lender's Revolving Credit Exposure shall equal its Revolving Credit Commitment Percentage set forth on Annex B hereto times the Revolving Credit Exposure immediately prior to giving effect to this Amendment.

(c) In connection with such sales and purchases, notwithstanding the terms of Section 12.9 of the Credit Agreement, (i) no Assignment and Assumption shall be required, unless requested by the applicable Lender or Lenders, (ii) no fee shall be required to be paid pursuant to Section 12.9(b)(iv) of the Credit Agreement and (iii) the Administrative Agent may use this Amendment to record the Revolving Credit Commitments in the Register.

(d) The parties hereto agree that the Administrative Agent may reallocate the Revolving Credit Loans and other Revolving Credit Exposure in accordance with the updated Revolving Credit Commitment Percentages as of the Third Amendment Effective Date (and the Lenders agree to make all payments and adjustments necessary to effect such reallocation). The Lenders party hereto agree to waive any costs required to be paid by the Borrower pursuant to Section 5.9 of the Credit Agreement in connection with such reallocation.

Section 6. **Conditions to Effectiveness.** This Amendment shall be deemed to be effective upon the satisfaction or waiver of each of the following conditions to the reasonable satisfaction of the Administrative Agent (such date, the "Third Amendment Effective Date"):  

(a) The Administrative Agent's receipt of the following, each properly executed by a Responsible Officer of the signing Credit Party, each in form and substance reasonably satisfactory to the Administrative Agent:

(i) this Amendment, duly executed by each of the Credit Parties, the Administrative Agent and each of the Lenders;

(ii) an Incremental Term Loan Note and/or Revolving Credit Note executed by the Borrower in favor of each Lender that has requested an Incremental Term Loan Note and/or Revolving Credit Note at least two (2) Business Days in advance of the Third Amendment Effective Date;

(iii) an Officer's Compliance Certificate demonstrating that the Borrower is in compliance (calculated on a Pro Forma Basis based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided after giving effect to the funding of the Delayed Draw Term Loan (assuming that the entire Delayed Draw Term Loan is
fully funded) and the use of proceeds thereof, but without netting the proceeds thereof, with (A) a Consolidated Net Leverage Ratio not to exceed 3.25 to 1.00 and (B) the financial covenants set forth in Section 9.13 of the Credit Agreement;

(iv) a certificate of a Responsible Officer of each Credit Party certifying that (A) the articles or certificate of incorporation or formation (or equivalent), as applicable, of such Credit Party have not been amended since the date of the last delivered certificate, or if they have been amended, attached thereto are true, correct and complete copies of the same, certified as of a recent date by the appropriate Governmental Authority in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, (B) the bylaws or other governing document of each Credit Party have not been amended since the date of the last delivered certificate, or if they have been amended, attached thereto are true, correct and complete copies of the same, (C) attached hereto is a true, correct and complete copy of resolutions duly adopted by the board of directors (or other governing body) of each Credit Party authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Amendment and the Credit Agreement as amended by this Amendment and (D) attached hereto is a true, correct and complete copy of such certificates of good standing from the applicable secretary of state of the state of incorporation, organization or formation (or equivalent), as applicable, of each Credit Party; and

(v) opinion from counsel to the Credit Parties, substantially in form and substance reasonably satisfactory to the Administrative Agent.

(b) Payment of (i) all fees and expenses of the Administrative Agent and Wells Fargo Securities, LLC, and in the case of expenses, to the extent invoiced at least two (2) Business Days prior to the Third Amendment Effective Date (except as otherwise reasonably agreed to by the Borrower), required to be paid on the Third Amendment Effective Date and (ii) all fees to the Lenders required to be paid on the Third Amendment Effective Date.

(c) The representations and warranties in Section 7 of this Amendment shall be true and correct as of the Third Amendment Effective Date.

For purposes of determining compliance with the conditions specified in this Section 6, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder 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 Third Amendment Effective Date specifying its objection thereto.

Section 7. Representations and Warranties. By its execution hereof, each Credit Party hereby represents and warrants to the Administrative Agent and the Lenders that, as of the date hereof after giving effect to this Amendment:

(a) each of the representations and warranties made by the Credit Parties in or pursuant to the Loan Documents is true and correct in all material respects (except to the extent that such representation and warranty is subject to a materiality or Material Adverse Effect qualifier, in which case it shall be true and correct in all respects), in each case, on and as of the date hereof as if made on and as of the date hereof, except to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date;
(b) no Default or Event of Default has occurred and is continuing as of the date hereof or after giving effect hereto;

(c) it has the right and power and is duly authorized and empowered to enter into, execute and deliver this Amendment and to perform and observe the provisions of this Amendment;

(d) this Amendment has been duly authorized and approved by such Credit Party’s board of directors or other governing body, as applicable, and constitutes a legal, valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law; and

(e) the execution, delivery and performance of this Amendment do not conflict with, result in a breach in any of the provisions of, constitute a default under, or result in the creation of a Lien (other than Permitted Liens) upon any assets or property of any of the Credit Parties, or any of their respective Subsidiaries, under the provisions of, such Credit Party’s or such Subsidiary’s organizational documents or any material agreement to which such Credit Party or Subsidiary is a party.

Section 8. Effect of this Amendment. On and after the Third Amendment Effective Date, references in the Credit Agreement to “this Agreement” (and indirect references such as “hereunder”, “hereby”, “herein”, and “hereof”) and in any Loan Document to the “Credit Agreement” shall be deemed to be references to the Credit Agreement as modified hereby. Except as expressly provided herein, the Credit Agreement and the other Loan Documents shall remain unmodified and in full force and effect. Except as expressly set forth herein, this Amendment shall not be deemed (a) to be a waiver of, or consent to, a modification or amendment of, any other term or condition of the Credit Agreement or any other Loan Document, (b) to prejudice any other right or rights which the Administrative Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement or the other Loan Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or otherwise modified from time to time, (c) to be a commitment or any other undertaking or expression of any willingness to engage in any further discussion with the Borrower or any other Person with respect to any waiver, amendment, modification or any other change to the Credit Agreement or the Loan Documents or any rights or remedies arising in favor of the Lenders or the Administrative Agent, or any of them, under or with respect to any such documents or (d) to be a waiver of, or consent to or a modification or amendment of, any other term or condition of any other agreement by and among the Credit Parties, on the one hand, and the Administrative Agent or any other Lender, on the other hand.

Section 9. Costs and Expenses. The Borrower hereby reconfirms its obligations pursuant to Section 12.3 of the Credit Agreement to pay and reimburse the Administrative Agent and its Affiliates in accordance with the terms thereof.

Section 10. Acknowledgments and Reaffirmations. Each Credit Party (a) consents to this Amendment and agrees that the transactions contemplated by this Amendment shall not limit or diminish the obligations of such Person under, or release such Person from any obligations under, any of the Loan Documents to which it is a party, (b) confirms and reaffirms its obligations under each of the Loan Documents to which it is a party and (c) agrees that each of the Loan Documents to which it is a party remain in full force and effect and are hereby ratified and confirmed.

Section 11. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.
Section 12. **Counterparts.** This Amendment may be executed in any number of counterparts, and by different parties hereto in separate counterparts and by facsimile signature, each of which counterparts when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

Section 13. **Electronic Transmission.** Delivery of this Amendment by facsimile, telexcopy or pdf shall be effective as delivery of a manually executed counterpart hereof, provided that, upon the request of any party hereto, such facsimile transmission or electronic mail transmission shall be promptly followed by the original thereof.

Section 14. **Nature of Agreement.** For purposes of determining withholding Taxes imposed under FATCA from and after the Third Amendment Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Credit Agreement (as amended by this Amendment) as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(ii).

[Signature Pages Follow]
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as
of the date and year first above written.

BORROWER:

REALPAGE, INC.

By: /s/ W. Bryan Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer and Treasurer

SUBSIDIARY GUARANTORS:

MULTIFAMILY INTERNET VENTURES, LLC
PROPERTYWARE LLC
LEVEL ONE LLC
RP ABC LLC
REALPAGE VENDOR COMPLIANCE LLC
VELOCITY UTILITY SOLUTIONS LLC
LEASESTAR LLC
RP NEWCO XV LLC

By: RealPage, Inc., as sole member

By: /s/ W. Bryan Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer and Treasurer

KIGO, INC.

By: /s/ W. Bryan Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer and Treasurer

NWP SERVICES CORPORATION

By: /s/ W. Bryan Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer and Treasurer
ADMINISTRATIVE AGENT AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Swingline Lender, Issuing Lender and Lender

By: /s/ Reid R. Landers
Name: Reid R. Landers
Title: Vice President
FIFTH THIRD BANK, as Lender

By: /s/ Glen Mastey  
Name: Glen Mastey  
Title: Managing Director
COMERICA BANK, as Lender

By: Charles Fell
Name: Charles Fell
Title: Vice President
BANK OF AMERICA, N.A., as Lender

By: /s/ Jennifer Yan
Name: Jennifer Yan
Title: Senior Vice President
JPMORGAN CHASE BANK, N.A., as Lender

By: /s/ Justin Burton
Name: Justin Burton
Title: Vice President
REGIONS BANK, as Lender

By: /s/ Reece Szymanowski

Name: Reece Szymanowski

Title: Officer
CAPITAL ONE, NATIONAL ASSOCIATION, as Lender

By: /s/ Ali Zaidi
Name: Ali Zaidi
Title: Duly Authorized Signatory
NEW LENDER:

MORGAN STANLEY SENIOR FUNDING, INC.,
as New Lender

By: /s/Michael King ______________
Name: Michael King
Title: Vice President
ANNEX A

Amended Credit Agreement

[See Attached]
### Schedule 1.1

Lenders and Commitments
(as of the Third Amendment Effective Date)

<table>
<thead>
<tr>
<th>Lender</th>
<th>Revolving Credit Commitment</th>
<th>Revolving Credit Commitment Percentage</th>
<th>Outstanding Incremental Term Loan-1</th>
<th>Delayed Draw Term Loan Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo Bank, National Association</td>
<td>$34,439,461.88</td>
<td>17.21%</td>
<td>$26,418,269.81</td>
<td>$29,142,268.31</td>
</tr>
<tr>
<td>Bank of America, N.A.</td>
<td>$30,612,855.01</td>
<td>15.31%</td>
<td>$18,870,192.20</td>
<td>$30,516,952.79</td>
</tr>
<tr>
<td>Fifth Third Bank</td>
<td>$30,612,855.01</td>
<td>15.31%</td>
<td>$18,870,192.20</td>
<td>$30,516,952.79</td>
</tr>
<tr>
<td>JPMorgan Chase Bank, N.A.</td>
<td>$30,612,855.01</td>
<td>15.31%</td>
<td>$18,870,192.20</td>
<td>$30,516,952.79</td>
</tr>
<tr>
<td>Regions Bank</td>
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<td>12.44%</td>
<td>$13,209,134.53</td>
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</tr>
<tr>
<td>Capital One, National Association</td>
<td>$22,959,641.26</td>
<td>11.47%</td>
<td>$13,209,134.53</td>
<td>$23,831,224.21</td>
</tr>
<tr>
<td>Comerica Bank</td>
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<td>$13,209,134.53</td>
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</tr>
<tr>
<td>Morgan Stanley Senior Funding, Inc.</td>
<td>$8,669,656.20</td>
<td>4.33%</td>
<td>$0.00</td>
<td>$13,986,593.80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$200,000,000.00</td>
<td>100.00%</td>
<td>$122,656,250.00</td>
<td>$200,000,000.00</td>
</tr>
</tbody>
</table>
CREDIT AGREEMENT

dated as of September 30, 2014
(as amended by the First Amendment to Credit Agreement and Incremental Amendment, dated as of February 26, 2016; the Second Amendment to Credit Agreement, dated as of February 15, 2017; and the Third Amendment to Credit Agreement and Incremental Amendment, dated as of February 27, 2017).

by and among

REALPAGE, INC.,
as Borrower,

the Lenders referred to herein,
as Lenders,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent,
Swingline Lender and Issuing Lender

FIFTH THIRD BANK,
as Syndication Agent

WELLS FARGO SECURITIES, LLC,
as Sole Lead Arranger and Sole Bookrunner
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CREDIT AGREEMENT, dated as of September 30, 2014, by and among RealPage, Inc., a Delaware corporation, as Borrower, the lenders who are party to this Agreement and the lenders who may become a party to this Agreement pursuant to the terms hereof, as Lenders, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Administrative Agent for the Lenders.

STATEMENT OF PURPOSE

The Borrower has requested, and subject to the terms and conditions set forth in this Agreement, the Administrative Agent and the Lenders have agreed to extend, certain credit facilities to the Borrower.

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

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions. The following terms when used in this Agreement shall have the meanings assigned to them below:

“Acquisition” means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Borrower or any of its Subsidiaries (a) acquires any going business or all or substantially all of the assets of any corporation, partnership or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting power) of the outstanding ownership interests of a partnership or limited liability company.

“Administrative Agent” means Wells Fargo, in its capacity as Administrative Agent hereunder, and any successor thereto appointed pursuant to Section 11.6.

“Administrative Agent’s Office” means the office of the Administrative Agent specified in or determined in accordance with the provisions of Section 12.1(c).

“Administrative Questionnaire” means an administrative questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agreement” means this Credit Agreement, as amended, restated, supplemented or otherwise modified from time to time.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.
“Applicable Law” means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of courts or Governmental Authorities and all orders and decrees of all courts and arbitrators.

“Applicable Margin” means the corresponding percentages per annum as set forth below based on the Consolidated Net Leverage Ratio:

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<th>LIBOR +</th>
<th>Base Rate +</th>
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<td>I</td>
<td>Less than 1.50 to 1.00</td>
<td>0.25%</td>
<td>1.25%</td>
<td>0.25%</td>
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<td>II</td>
<td>Greater than or equal to 1.50 to 1.00, but less than 2.50 to 1.00</td>
<td>0.25%</td>
<td>1.50%</td>
<td>0.50%</td>
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<td>III</td>
<td>Greater than or equal to 2.50 to 1.00, but less than 3.50 to 1.00</td>
<td>0.30%</td>
<td>1.75%</td>
<td>0.75%</td>
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<td>IV</td>
<td>Greater than or equal to 3.50 to 1.00</td>
<td>0.35%</td>
<td>2.00%</td>
<td>1.00%</td>
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The Applicable Margin shall be determined and adjusted quarterly on the date one (1) Business Day after the day on which the Borrower provides an Officer’s Compliance Certificate pursuant to Section 8.2(a) for the most recently ended fiscal quarter of the Borrower (each such date, a “Calculation Date”); provided that (a) on the Delayed Draw Funding Date, the Applicable Margin shall automatically be based on Pricing Level III until the first Calculation Date occurring after the Closing Delayed Draw Funding Date and, thereafter the Pricing Level shall be determined by reference to the Consolidated Net Leverage Ratio as of the last day of the most recently ended fiscal quarter of the Borrower preceding the applicable Calculation Date, and (b) if the Borrower fails to provide an Officer’s Compliance Certificate when due as required by Section 8.2(a) for the most recently ended fiscal quarter of the Borrower preceding the applicable Calculation Date, the Applicable Margin from the date on which such Officer’s Compliance Certificate was required to have been delivered shall be based on Pricing Level IV until such time as such Officer’s Compliance Certificate is delivered, at which time the Pricing Level shall be determined by reference to the Consolidated Net Leverage Ratio as of the last day of the most recently ended fiscal quarter of the Borrower preceding such Calculation Date. The applicable Pricing Level shall be effective from one Calculation Date until the next Calculation Date. Any adjustment in the Pricing Level shall be applicable to all Extensions of Credit then existing or subsequently made or issued.

Notwithstanding the foregoing, in the event that any financial statement or Officer’s Compliance Certificate delivered pursuant to Section 8.1 or 8.2(a) is shown to be inaccurate (regardless of whether (i) this Agreement is in effect, (ii) any Revolving Credit Commitments are in effect, or (iii) any Extension of Credit is outstanding when such inaccuracy is discovered or such financial statement or Officer’s Compliance Certificate was delivered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an “Applicable Period”) than the Applicable Margin applied for such Applicable Period, then (A) the Borrower shall promptly deliver to the Administrative Agent a corrected Officer’s Compliance Certificate for such Applicable Period, (B) the Applicable Margin for such Applicable Period shall be determined as if the Consolidated Net Leverage...
Ratio in the corrected Officer’s Compliance Certificate were applicable for such Applicable Period, and (C) the Borrower shall promptly and retroactively be obligated to pay to the Administrative Agent the accrued additional interest and fees owing as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Administrative Agent in accordance with Section 5.4. Nothing in this paragraph shall limit the rights of the Administrative Agent and Lenders with respect to Sections 5.1(b) and 10.2 nor any of their other rights under this Agreement or any other Loan Document. The Borrower’s obligations under this paragraph shall survive the termination of the Revolving Credit Commitments and the repayment of all other Obligations hereunder.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arranger” means Wells Fargo Securities, LLC, in its capacity as sole lead arranger and sole bookrunner, and its successors.

“Asset Disposition” means the disposition of any or all of the assets (including, without limitation, any Equity Interests owned thereby) owned by any Credit Party or any Subsidiary thereof whether by sale, lease, Sale Leaseback, transfer or otherwise.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 12.9), and accepted by the Administrative Agent, in substantially the form attached as Exhibit G or any other form approved by the Administrative Agent.

“Attributable Indebtedness” means, on any date of determination, (a) in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease, the capitalized amount or principal amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease Obligation.

“Bail-In Action” has the meaning assigned thereto in Section 12.22.

“Base Rate” means, at any time, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) LIBOR for an Interest Period of one month plus 1%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate or LIBOR (provided that clause (c) shall not be applicable during any period in which LIBOR is unavailable or unascertainable).

“Base Rate Loan” means any Loan bearing interest at a rate based upon the Base Rate as provided in Section 5.1(a).

“Borrower” means RealPage, Inc., a Delaware corporation.

“Borrower Materials” has the meaning assigned thereto in Section 8.2.

“Business Day” means (a) for all purposes other than as set forth in clause (b) below, any day other than a Saturday, Sunday or legal holiday on which banks in Charlotte, North Carolina and New York, New York, are open for the conduct of their commercial banking business and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, any LIBOR
Rate Loan, or any Base Rate Loan as to which the interest rate is determined by reference to LIBOR, any day that is a Business Day described in clause (a) and that is also a London Banking Day.

“Calculation Date” has the meaning assigned thereto in the definition of Applicable Margin.

“Capital Lease Obligations” of any Person means 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, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash Collateralize” means, to pledge and deposit with, or deliver to the Administrative Agent, or directly to the Issuing Lender (with notice thereof to the Administrative Agent), for the benefit of one or more of the Issuing Lender, the Swingline Lender or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations or Swingline Loans, cash or deposit account balances or, if the Administrative Agent and the Issuing Lender and the Swingline Lender shall agree, in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent, the Issuing Lender and the Swingline Lender, as applicable. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means, collectively, (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency thereof maturing within one (1) year from the date of acquisition thereof, (b) commercial paper maturing no more than one (1) year from the date of creation thereof and currently having a rating of at least A-1 (or the then equivalent grade) or P-1 (or the then equivalent grade) obtainable from either S&P or Moody’s, respectively, (c) certificates of deposit maturing no more than one (1) year from the date of creation thereof issued by any Lender or any other commercial banks incorporated under the laws of the United States, each having combined capital, surplus and undivided profits of not less than $500,000,000 and having a rating of “A” or better by a nationally recognized rating agency, (d) overnight deposits or time deposits maturing no more than one (1) year from the date of creation thereof with any Lender or any other commercial banks or savings banks or savings and loan associations each having membership either in the FDIC or the deposits of which are insured by the FDIC and in amounts not exceeding the maximum amounts of insurance thereunder, and (e) solely in the case of a Foreign Subsidiary, instruments equivalent to those referred to in clauses (a) through (d) of this definition denominated in any foreign currency that is the local currency of such Foreign Subsidiary comparable in tenor and in credit quality to those referred to above and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by such Foreign Subsidiary organized in such jurisdiction.

“Cash Management Agreement” means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card (including non-card electronic payables), electronic funds transfer and other cash management arrangements.

“Cash Management Bank” means any Person that, (a) at the time it enters into a Cash Management Agreement with a Credit Party, is a Lender, an Affiliate of a Lender, the Administrative Agent or an Affiliate of the Administrative Agent, or (b) at the time it (or its Affiliate) becomes a Lender (including on the Closing Date), is a party to a Cash Management Agreement with a Credit Party, in each case in its capacity as a party to such Cash Management Agreement.

“Change in Control” means an event or series of events by which:
(a) (i) any “person” or “group” (within the meaning of Sections 13(d) and 14(d) of the Exchange Act) (other than a Permitted Holder) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a “person” or “group” shall be deemed to have “beneficial ownership” of all Equity Interests that such “person” or “group” has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”), directly or indirectly, on a fully diluted basis (and taking into account all such securities that such “person” or “group” has the right to acquire pursuant to any option right), of thirty-five percent (35%) or more of the Equity Interests of the Borrower entitled to vote in the election of members of the board of directors (or equivalent governing body) of the Borrower, (ii) a majority of the members of the board of directors (or other equivalent governing body) of the Borrower shall not constitute Continuing Directors or (iii) the Borrower fails to own and control, directly or indirectly, one hundred percent (100%) of the Equity Interests of each other Credit Party (except with respect to MTS Minnesota, Inc., a Delaware corporation and MTS Connecticut, Inc., a Delaware corporation, for which the Borrower shall only be required to own and control 40% of the Equity Interests of each); provided, that any merger or liquidation permitted under Section 9.4 of the Agreement shall not constitute a Change in Control; or

(b) there shall have occurred under any indenture or other instrument evidencing any Indebtedness or Equity Interests in excess of the Threshold Amount any “change in control” or similar provision (as set forth in the indenture, agreement or other evidence of such Indebtedness) obligating the Borrower or any of its Subsidiaries to repurchase, redeem or repay all or any part of the Indebtedness or Equity Interests provided for therein.

“Change in Law” means 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, implementation 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, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Class” means, when used in reference to any Loan, whether such Loan is a Revolving Credit Loan, Swingline Loan or Term Loan and, when used in reference to any Commitment, whether such Commitment is a Revolving Credit Commitment or an Incremental Term Loan Commitment.

“Closing Date” means the date of this Agreement.


“Collateral” means the collateral security for the Secured Obligations pledged or granted pursuant to the Security Documents.

“Collateral Agreement” means the collateral agreement of even date herewith executed by the Credit Parties in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, which shall be in form and substance reasonably acceptable to the Administrative Agent.

“Commitment Fee” has the meaning assigned thereto in Section 5.3(a).
“Commitment Percentage” means, as to any Lender, such Lender’s Revolving Credit Commitment or Term Loan Percentage, as applicable.

“Commitments” means, collectively, as to all Lenders, the Revolving Credit Commitments and the Incremental Term Loan Commitments of such Lenders.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated” means, when used with reference to financial statements or financial statement items of any Person, such statements or items on a consolidated basis in accordance with applicable principles of consolidation under GAAP.

“Consolidated EBITDA” means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for the Borrower and its Subsidiaries in accordance with GAAP:

(a) Consolidated Net Income for such period plus

(b) the sum of the following, without duplication, to the extent deducted in determining Consolidated Net Income for such period:

(i) provisions for taxes based on income, profits or capital, including federal, foreign and state income, franchise taxes, and similar taxes based on income, profits or capital paid or accrued during such period (including in respect of repatriated funds),

(ii) Consolidated Interest Expense,

(iii) amortization, depreciation and other non-cash charges, expenses or losses (except to the extent that such non-cash charges, expenses or losses are reserved for cash expenses to be taken in the future),

(iv) unusual or extraordinary losses (excluding extraordinary losses from discontinued operations),

(v) one-time restructuring and integration expenses (which for the avoidance of doubt, shall include, but not be limited to, retention, severance, systems establishment costs, contract termination costs, including future lease commitments, and costs to consolidate facilities and relocate employees) in an aggregate amount not to exceed $5,000,000 during any twelve (12) month period; provided that any such restructuring and integration expenses that relate to any Permitted Acquisition may only be included in this clause (v) to the extent incurred more than twelve (12) months following the consummation of such Permitted Acquisition,

(vi) one-time restructuring and integration expenses (which for the avoidance of doubt, shall include, but not be limited to, retention, severance, systems establishment costs, contract termination costs, including future lease commitments, and costs to consolidate facilities and relocate employees) incurred by the Borrower and its Subsidiaries in connection with, and directly related to, any Permitted Acquisition, only to the extent that such restructuring and integration expenses are incurred within twelve (12) months following the consummation of such Permitted Acquisition; provided that the aggregate amount added back in reliance on this clause (vi), together with amounts
added back under clause (vii), shall not exceed twenty percent (20%) of Consolidated EBITDA for such period (calculated prior to giving effect to any such amounts added back under clauses (vi) and (vii)),

(vii) non-recurring costs, extraordinary expenses and other pro forma adjustments (including anticipated cost savings and other synergies) attributable to Specified Transactions that have been consummated during such period to the extent that such costs, expenses or adjustments (A) are reasonably expected to be realized within twelve (12) months of such Specified Transaction as set forth in reasonable detail on a certificate of a Responsible Officer of the Borrower delivered to the Administrative Agent and (B) are calculated on a basis consistent with GAAP and are, in each case, reasonably identifiable, factually supportable, and expected to have a continuing impact on the operations of the Borrower and its Subsidiaries; provided that (x) the aggregate amount added back in reliance on this clause (vii), together with amounts added back under clause (vi), shall not exceed twenty percent (20%) of Consolidated EBITDA for such period (calculated prior to giving effect to any such amounts added back under clauses (vi) and (vii)) and (y) the aggregate amount of cost savings and other synergies (actual or anticipated) added back in reliance on this clause (vii) shall not exceed fifteen percent (15%) of Consolidated EBITDA for such period (calculated prior to giving effect to any such amounts added back under this clause (vii)),

(viii) one-time out-of-pocket costs and expenses incurred by the Borrower and its Subsidiaries in connection with, and directly related to, (A) the Transactions, (B) any Permitted Acquisition, (C) issuances of any Equity Interests, (D) dispositions of any assets permitted hereunder, (E) insurance, amendment, modification, refinancing or repayment of Indebtedness (in each case of clauses (B) through (E), whether or not successful), including, without limitation, legal, accounting and advisory fees, provided that to the extent incurred after the Closing Date or the consummation of the applicable transaction, such out-of-pocket costs and expenses may only be included to the extent that such out-of-pocket costs and expenses are incurred within twelve (12) months following the Closing Date or the consummation of such transaction, as applicable,

(ix) litigation fees, costs and expenses (but exclusive of any payments that are funded with proceeds of Borrower's liability insurance) incurred by Borrower and its Subsidiaries during the preceding twelve (12) month period, not to exceed $5,000,000 in the aggregate for any such period,

(x) one-time facility consolidation, closing and relocation costs and expenses incurred in connection with the transition or relocation of the Borrower's headquarters location and consolidation of the Borrower's offices not currently a part of Borrower's headquarters location,

(c) the sum of the following, without duplication, to the extent included in determining Consolidated Net Income for such period:

(i) interest income,

(ii) any unusual or extraordinary gains; and

(iii) non-cash gains or non-cash items increasing Consolidated Net Income;

provided that, to the extent included in determining Consolidated Net Income for such period, Consolidated EBITDA shall be calculated so as to exclude (x) the effects of adjustments (including, without limitation, in connection with the fair value adjustment tied to the Borrower's deferred revenue and fair value adjustments determined in accordance with GAAP related to Earn-outs, Holdbacks or other contingent consideration obligations) resulting from the application of purchase accounting related to the Transactions, any Acquisition
consummated prior to the date hereof or any Permitted Acquisition or the amortization or write-off of any amounts thereof, net of Taxes and (y) the cumulative effect of any changes in GAAP or accounting principles applied by management during such period. For purposes of this Agreement, Consolidated EBITDA shall be calculated on a Pro Forma Basis.

"Consolidated Funded Indebtedness" means, as of any date of determination with respect to the Borrower and its Subsidiaries on a Consolidated basis, without duplication, the sum of (a) all Indebtedness of the type described in clauses (a), (b) (only to the extent of Earn-outs and Holdbacks payable in cash that are required to be set forth on the Consolidated balance sheet of the Borrower and its Subsidiaries in an amount calculated in accordance with GAAP and (c) of the definition of Indebtedness on such date plus (b) guarantees of Indebtedness of the type described in clauses (a), (b) (only to the extent of Earn-outs and Holdbacks payable in cash that are required to be set forth on the Consolidated balance sheet of the Borrower and its Subsidiaries in an amount calculated in accordance with GAAP) and (c) of the definition of Indebtedness on such date plus (c) the aggregate amount of Indebtedness relating to the drawn and unreimbursed amounts outstanding under letters of credit (including standby and commercial) and bankers' acceptances on such date less (d) the aggregate amount of Qualified Cash and Cash Equivalents in excess of $10,000,000 on such date (provided that if the aggregate Revolving Credit Outstandings (excluding L/C Obligations) exceed $50,000,000, the amount of Qualified Cash and Cash Equivalents permitted to be subtracted hereunder shall not exceed $60,000,000).

"Consolidated Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date to (b) Consolidated Interest Expense for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date.

"Consolidated Interest Expense" means, for any period, determined on a Consolidated basis, without duplication, for the Borrower and its Subsidiaries in accordance with GAAP, interest expense (including, without limitation, interest expense attributable to Capital Lease Obligations and all net payment obligations pursuant to Hedge Agreements) for such period.

"Consolidated Net Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness on such date to (b) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date.

"Consolidated Net Income" means, for any period, the net income (or loss) of the Borrower and its Subsidiaries for such period, determined on a Consolidated basis, without duplication, in accordance with GAAP; provided, that in calculating Consolidated Net Income of the Borrower and its Subsidiaries for any period, there shall be excluded (without duplication) (a) the net income (or loss) of any Person (other than a Subsidiary which shall be subject to clause (c) below), in which the Borrower or any of its Subsidiaries has a joint interest with a third party, except to the extent such net income is actually paid in cash to the Borrower or any of its Subsidiaries by dividend or other distribution during such period, (b) subject to any pro forma adjustments required herein, the net income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or any of its Subsidiaries or that Person's assets are acquired by the Borrower or any of its Subsidiaries except to the extent included pursuant to the foregoing clause (a), (c) the net income (or loss), of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary to the Borrower or any of its Subsidiaries of such net income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary, but only to the extent of such prohibition and (d) any gain or loss from Asset Dispositions during such period.
“Continuing Directors” means the directors of the Borrower on the Closing Date and each other
director of the Borrower, if, in each case, such other director’s election or nomination for election to the
board of directors (or equivalent governing body) of the Borrower is approved by more than 50% of the
then Continuing Directors.

“Control” means 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 ability to exercise voting power,
by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Controlled Account” means each deposit account and securities account that is subject to an
account control agreement in form and substance satisfactory to the Administrative Agent and the Issuing
Lender that is entitled to Cash Collateral hereunder at the time such control agreement is executed.

“Convertible Debt Securities” means any notes issued by the Borrower that are convertible into
common stock of the Borrower, cash or a combination thereof.

“Credit Facility” means, collectively, the Revolving Credit Facility, the Swingline Facility, the
L/C Facility and the Term Loans.

“Credit Parties” means, collectively, the Borrower and the Subsidiary Guarantors.

“Debt Issuance” means the issuance of any Indebtedness for borrowed money by any Credit Party
or any of its Subsidiaries.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other
liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium,
rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States
or other applicable jurisdictions from time to time in effect.

“Default” means any of the events specified in Section 10.1 which with the passage of time, the
giving of notice or any other condition, would constitute an Event of Default.

“Defaulting Lender” means, subject to Section 5.15(b), any Lender that (a) has failed to (i) fund
all or any portion of the Revolving Credit Loans or any Term Loans, participations in L/C Obligations or
participations in Swingline Loans required to be funded by it hereunder within two Business Days of the
date such Loans or participations were required to be funded hereunder unless such Lender notifies the
Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s
determination that one or more conditions precedent to funding (each of which conditions precedent,
together with any applicable default, shall be specifically identified in such writing) has not been
satisfied, or (ii) pay to the Administrative Agent, the Issuing Lender, the Swingline Lender or any other
Lender any other amount required to be paid by it hereunder (including in respect of its participation in
Letters of Credit or Swingline Loans) within two Business Days of the date when due, (b) has notified the
Borrower, the Administrative Agent, the Issuing Lender or the Swingline Lender in writing that it does
not intend to comply with its funding obligations hereunder, or has made a public statement to that effect
(unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and
states that such position is based on such Lender’s determination that a condition precedent to funding
(which condition precedent, together with any applicable default, shall be specifically identified in such
writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written
request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent
and the Borrower that it will comply with its prospective funding obligations hereunder (provided that
such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written

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confirmation by the Administrative Agent and the Borrower, or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the FDIC or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 5.15(b)) upon delivery of written notice of such determination to the Borrower, the Issuing Lender, the Swingline Lender and each Lender.

“Delayed Draw Term Loan” means the incremental term loan made, or to be made, to the Borrower pursuant to Section 4.1(b).

“Delayed Draw Term Loan Commitment” means (a) as to any Term Loan Lender, the obligation of such Term Loan Lender to make its portion of the Delayed Draw Term Loan to the account of the Borrower hereunder in an aggregate principal amount equal to the amount set forth opposite such Term Loan Lender’s name on Schedule 1.1 and (b) as to all Term Loan Lenders, the aggregate commitment of all Term Loan Lenders to make such Delayed Draw Term Loan. The aggregate Delayed Draw Term Loan Commitment of all Term Loan Lenders on the Third Amendment Effective Date shall be $200,000,000. Any unfunded portion of the Delayed Draw Term Loan Commitment shall automatically terminate in its entirety on the earlier to occur of the Delayed Draw Funding Deadline and the Delayed Draw Funding Date.

“Delayed Draw Funding Date” means the date occurring on or after the Third Amendment Effective Date upon which all of the conditions to funding the Delayed Draw Term Loan set forth in Section 6.2 are satisfied and the Delayed Draw Term Loan is funded.


“Delayed Draw Ticking Fee” has the meaning assigned thereto in Section 5.3(b).

“Disclosure Letter” means the Disclosure Letter, dated as of the date hereof, delivered by Borrower to the Administrative Agent in connection with this Agreement, as may be updated from time to time in accordance with the terms of this Agreement and the other Loan Documents.

“Disqualified Equity Interests” means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interests into which they are convertible or for which they are exchangeable) or upon the happening of any event or condition, (a) mature or are mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations (other than inchoate indemnity obligations) that are accrued and payable and the termination of the Revolving Credit Commitments), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests) (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event
shall be subject to the prior repayment in full of the Loans and all other Obligations (other than inchoate indemnity obligations) that are accrued and payable and the termination of the Revolving Credit Commitments, in whole or in part, (c) provide for the scheduled payment of dividends in cash or (d) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Latest Maturity Date; provided that if such Equity Interests is issued pursuant to a plan for the benefit of the Borrower or its Subsidiaries or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“Dollars” or “$” means, unless otherwise qualified, dollars in lawful currency of the United States.

“Domestic Subsidiary” means any Subsidiary incorporated or organized under the laws of the United States or any political subdivision of the United States, provided such Subsidiary is owned by the Borrower or a Domestic Subsidiary of the Borrower.

“Earn-outs” means unsecured liabilities of a Credit Party arising under an agreement to make any deferred payment as a part of the purchase price for a Permitted Acquisition, including performance bonuses or consulting payments in any related services, employment or similar agreement, in an amount that is subject to or contingent upon the revenues, income, cash flow or profits (or the like) of the underlying target, in each case, to the extent that such deferred payment would be included as part of such purchase price; provided that Earn-outs shall not include payments consistent with the management incentive plan or professional incentive plan generally offered by the Borrower.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 12.9(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 12.9(b)(iii)).

“Employee Benefit Plan” means (a) any employee benefit plan within the meaning of Section 3(3) of ERISA that is maintained for employees of any Credit Party or any ERISA Affiliate or (b) any Pension Plan or Multiemployer Plan that has at any time within the preceding seven (7) years been maintained, funded or administered for the employees of any Credit Party or any current or former ERISA Affiliate.

“Engagement Letter” means that certain Engagement Letter dated as of August 25, 2014, between Wells Fargo Securities, LLC and the Borrower, as amended, restated, supplemented or otherwise modified from time to time.

“Environmental Claims” means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, accusations, allegations, notices of noncompliance or violation, investigations (other than internal reports prepared by any Person in the ordinary course of business and not in response to any third party action or request of any kind) or proceedings relating in any way to any actual or alleged violation of or liability under any Environmental Law or relating to any violation of any permit issued, or any approval given, under any such Environmental Law, including, without limitation, any and all claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to public health or the environment under any Environmental Laws.
“Environmental Laws” means any and all federal, foreign, state, provincial and local laws, statutes, ordinances, codes, rules, standards and regulations, permits, licenses, approvals and orders of courts or Governmental Authorities, relating to the protection of human health or the environment, including, but not limited to, requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Materials.

“Equity Interests” means (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general or limited), (d) in the case of a limited liability company, membership interests, (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person and (f) any and all warrants, rights or options to purchase any of the foregoing (including equity-linked securities, but excluding Convertible Debt Securities (irrespective whether settled in Equity Interests or cash) and Permitted Call Spread Agreements).


“ERISA Affiliate” means any Person who together with any Credit Party or any of its Subsidiaries is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA.

“Eurodollar Reserve Percentage” means, for any day, the percentage which is in effect for such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any basic, supplemental or emergency reserves) in respect of eurocurrency liabilities or any similar category of liabilities for a member bank of the Federal Reserve System in New York City.

“Event of Default” means any of the events specified in Section 10.1; provided that any requirement for passage of time, giving of notice, or any other condition, has been satisfied.


“Excluded Subsidiary” means (a) RealPage Payment Processing Services, Inc., (b) RealPage Payments Services L.L.C., (c) any other Subsidiary of the Borrower whose business consists solely of processing third party payments or operating a money services business for the transmission of third party funds and (d) any Foreign Subsidiary Holding Company.

“Excluded Swap Obligation” means, with respect to any Credit Party, any Swap Obligation if, and to the extent that, all or a portion of the liability of such Credit Party or the guarantee of such Credit Party of, or the grant by such Credit Party of a security interest to secure, such Swap Obligation (or any liability or guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Credit Party’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time liability for or the guarantee of such Credit Party or the grant of such security interest becomes effective with respect to such Swap Obligation (such determination being made after giving effect to any applicable keepwell, support or other agreement for the benefit of the applicable Credit Party, including under the keepwell provisions of the Guaranty Agreement). If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion
of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal for the reasons identified in the immediately preceding sentence of this definition.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are otherwise Other Connection Taxes, (b) in the case of a Lender, United States federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Revolving Credit Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Revolving Credit Commitment (other than pursuant to an assignment request by the Borrower under Section 5.12(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 5.11, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 5.11(g) and (d) any United States federal withholding Taxes imposed under FATCA.

“Existing Credit Agreement” means that certain Amended and Restated Credit Agreement dated as of December 22, 2011, by and among the Borrower, the lenders party thereto and Wells Fargo Capital Finance, L.L.C., as administrative agent, as amended, restated, supplemented or otherwise modified from time to time.

“Extensions of Credit” means, as to any Lender at any time, (a) an amount equal to the sum of (i) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding, (ii) such Lender’s Revolving Credit Commitment Percentage of the L/C Obligations then outstanding, (iii) such Lender’s Revolving Credit Commitment Percentage of the Swingline Loans then outstanding and (iv) the aggregate principal amount of Term Loans made by such Lender then outstanding or (b) the making of any Loan or participation in any Letter of Credit by such Lender, as the context requires.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (including, for the avoidance of doubt, any agreements between the governments of the United States and the jurisdiction in which the applicable Recipient is resident implementing such provisions), or any amended or successor version that is substantively comparable and not materially more onerous to comply with, any current or future regulations promulgated thereunder or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any law implementing an intergovernmental agreement that is included in this definition.

“FDIC” means the Federal Deposit Insurance Corporation.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day (or, if such day is not a Business Day, for the immediately preceding Business Day), as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that if such rate is not so published for any day which is a Business Day, the average of the quotation for such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by the Administrative Agent.

“First Amendment Effective Date” means February 26, 2016.
“First Tier Foreign Subsidiary” means any Foreign Subsidiary that is a “controlled foreign corporation” within the meaning of Section 957 of the Code and the Equity Interests of which are owned directly by any Credit Party.

“Fiscal Year” means the fiscal year of the Borrower and its Subsidiaries ending on December 31 of each calendar year, except in the case of RealPage India Private Limited for which the fiscal year ends on March 31 of each calendar year.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“Foreign Subsidiary Holding Company” means any Domestic Subsidiary substantially all of the assets of which consist of the Equity Interests of one or more Foreign Subsidiaries.

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

“Fund” means any Person (other than a natural Person) 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 activities.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Approvals” means all authorizations, consents, approvals, permits, licenses and exemptions of, and all registrations and filings with or issued by, any Governmental Authorities.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, 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 (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance
or supply funds for the purchase of (a) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation or (e) for the purpose of assuming in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (whether in whole or in part); provided, that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business.

“Guaranty Agreement” means the unconditional guaranty agreement of even date herewith executed by the Subsidiary Guarantors in favor of the Administrative Agent, for the ratable benefit and the Secured Parties, which shall be in form and substance reasonably acceptable to the Administrative Agent.

“Hazardous Materials” means any substances or materials (a) which are or become defined as hazardous wastes, hazardous substances, pollutants, contaminants, chemical substances or mixtures or toxic substances under any Environmental Law, (b) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise harmful to public health or the environment and are or become regulated by any Governmental Authority, (c) the presence of which require investigation or remediation under any Environmental Law or common law, (d) the discharge or emission or release of which requires a permit or license under any Environmental Law or other Governmental Approval, or (e) which contain, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or waste, crude oil, nuclear fuel, natural gas or synthetic gas.

“Hedge Agreement” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into) any of the foregoing, whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement; provided that the term Hedge Agreement shall not include (i) Permitted Call Spread Agreements, (ii) any derivative instruments issued under equity incentive or similar plans (including, any stock option or phantom stock plan), (iii) any forward, option or warrant agreement for the purchase or sale of Equity Interests of the Borrower, (iv) contracts for the purchase of securities of the Borrower or (v) any of the items described in this definition to the extent that it constitutes a derivative embedded in Convertible Debt Securities issued by the Borrower.

“Hedge Bank” means any Person that, (a) at the time it enters into a Hedge Agreement with a Credit Party permitted under Article IX, is a Lender, an Affiliate of a Lender, the Administrative Agent or an Affiliate of the Administrative Agent or (b) at the time it (or its Affiliate) becomes a Lender (including on the Closing Date), is a party to a Hedge Agreement with a Credit Party, in each case in its capacity as a party to such Hedge Agreement.
“Hedge Termination Value” means, in respect of any one or more Hedge Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedge Agreements, (a) for any date on or after the date such Hedge 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 Hedge Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in Hedge Agreements of the same type as such Hedge Agreements (which may include a Lender or any Affiliate of a Lender).

“Holdback” means a portion of the purchase price for a Permitted Acquisition not paid at the closing thereof but held by a Credit Party for satisfaction of indemnification obligations and purchase price adjustments.

“Immaterial Subsidiary” means any Subsidiary (excluding any Excluded Subsidiaries) that (a) together with its Subsidiaries (excluding any Excluded Subsidiaries), (i) has assets (excluding restricted cash and Cash Equivalents) representing no more than five percent (5%) of the Consolidated total assets (excluding restricted cash and Cash Equivalents) of the Borrower and its Subsidiaries (excluding any Excluded Subsidiaries) or (ii) generates no more than five percent (5%) of the Consolidated revenues of the Borrower and its Subsidiaries (excluding any Excluded Subsidiaries), in each case, as reflected in the most recent financial statements delivered pursuant to Section 6.1(e)(i) or Sections 8.1(a) or (b), as applicable and (b) has been designated as an “Immaterial Subsidiary” by the Borrower in the manner provided below; provided that, if at any time, (A) the total assets of the Immaterial Subsidiaries (excluding restricted cash and Cash Equivalents), taken as a whole, as of the last day of the Borrower’s most recently ended fiscal quarter shall be greater than ten percent (10%) of the Consolidated total assets (excluding restricted cash and Cash Equivalents) of the Borrower and its Subsidiaries (excluding any Excluded Subsidiaries) or (B) ten percent (10%) the Consolidated total revenues of the Borrower and its Subsidiaries (excluding any Excluded Subsidiaries) on such date, then the Borrower shall take such actions as may be necessary, including causing an Immaterial Subsidiary to become a Subsidiary Guarantor and grant security interests pursuant to Section 8.13, to comply with the requirements set forth in the preceding clauses (A) and (B). The Borrower may from time to time designate any Subsidiary (including a newly-created or newly-acquired Subsidiary) as an Immaterial Subsidiary by delivering to the Administrative Agent a certificate of a Responsible Officer making such designation and confirming that (x) such Subsidiary meets the requirements set forth in this definition and (y) immediately after giving effect to such designation, no Event of Default shall have occurred and be continuing.

“Increase Effective Date” has the meaning assigned thereto in Section 2.7(c).

“Incremental Amendment” has the meaning assigned thereto in Section 2.7(d)(iii).

“Incremental Commitments” has the meaning assigned thereto in Section 2.7(a).

“Incremental Lender” has the meaning assigned thereto in Section 2.7(b).

“Incremental Term Loan” has the meaning assigned thereto in Section 2.7(a).

“Incremental Term Loan Commitment” has the meaning assigned thereto in Section 2.7(a) and shall include the Incremental Term Loan-1 Commitment and the Delayed Draw Term Loan Commitment.

“Incremental Term Loan Commitment Note” means a promissory note made by the Borrower in favor of a Lender evidencing the Incremental Term Loan-1 and any Incremental Term Loans made by such Lender, substantially in the form of Exhibit A-3.
“Incremental Term Loan-1” means the incremental term loan made, or to be made, to the Borrower pursuant to Section 4.1(e), including the Delayed Draw Term Loan after the funding thereof.

“Incremental Term Loan-1 Commitment” means (a) as to any Term Loan Lender, the obligation of such Term Loan Lender to make a portion of the Incremental Term Loan-1 to the account of the Borrower hereunder on the First Amendment Effective Date in an aggregate principal amount not to exceed the amount set forth opposite such Term Loan Lender’s name on Schedule 1.1 and (b) as to all Term Loan Lenders, the aggregate commitment of all Term Loan Lenders to make such Incremental Term Loan-1. The aggregate Incremental Term Loan-1 Commitment of all Term Loan Lenders on the First Amendment Effective Date shall be equal to $125,000,000.

“Indebtedness” means, with respect to any Person at any date and without duplication, the sum of the following:

(a) all liabilities, obligations and indebtedness for borrowed money including, but not limited to, obligations evidenced by bonds, debentures, notes or other similar instruments of any such Person;

(b) all obligations to pay the deferred purchase price of property or services of any such Person (including Earn-outs and Holdbacks solely to the extent payable in cash, in an amount calculated in accordance with GAAP and to the extent included on the Consolidated balance sheet of the Borrower and its Subsidiaries), except (i) trade payables arising in the ordinary course of business and repayable in accordance with customary trade practices, or that are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided for on the books of such Person, (ii) deferred compensation, deferred revenue and deferred tax liabilities;

(c) the Attributable Indebtedness of such Person with respect to such Person’s Capital Lease Obligations and Synthetic Leases (regardless of whether accounted for as indebtedness under GAAP);

(d) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person to the extent of the value of such property (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business);

(e) all Indebtedness of any third party secured by a Lien on any asset owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements except trade payables arising in the ordinary course of business), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; provided, that the amount of such Indebtedness shall be limited to the lesser of such obligation and the value of the property subject to such Lien if such Person has not assumed or become liable for the payment of such obligation;

(f) all obligations, contingent or otherwise, of any such Person relative to the face amount of letters of credit, whether or not drawn, including, without limitation, any Reimbursement Obligation, and banker’s acceptances issued for the account of any such Person;

(g) all obligations of any such Person in respect of Disqualified Equity Interests;

(h) all net obligations of such Person under any Hedge Agreements; and
(i) all Guarantees of any such Person with respect to any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Hedge Agreement on any date shall be deemed to be the Hedge Termination Value thereof as of such date.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitee" has the meaning assigned thereto in Section 12.3(b).

"Insurance and Condemnation Event" means the receipt by any Credit Party or any of its Subsidiaries of any cash insurance proceeds or condemnation award payable by reason of theft, loss, physical destruction or damage, taking or similar event with respect to any of their respective Property.

"Interest Period" means, as to each LIBOR Rate Loan, the period commencing on the date such LIBOR Rate Loan is disbursed or converted to or continued as a LIBOR Rate Loan and ending on the date one (1), two (2), three (3), or six (6) months thereafter, in each case as selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation and subject to availability; provided that:

(a) the Interest Period shall commence on the date of advance of or conversion to any LIBOR Rate 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;

(b) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period with respect to a LIBOR Rate 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;

(c) any Interest Period with respect to a LIBOR Rate 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;

(d) no Interest Period shall extend beyond the Latest Maturity Date; and

(e) there shall be no more than six (6) Interest Periods in effect at any time.

"IP Reporting Certificate" means a certificate of a Responsible Officer of the Borrower substantially in the form attached as Exhibit I.

"IRS" means the United States Internal Revenue Service.

"Issuing Lender" means Wells Fargo in its capacity as issuing lender hereunder or any successor thereto.

"Junior Indebtedness" means (a) any Indebtedness of the Borrower incurred under Section 9.1(r) and (b) any Subordinated Indebtedness.

"Latest Maturity Date" means, at any date of determination, the latest maturity or expiration date applicable to any Loan, Revolving Credit Commitment or Incremental Commitment hereunder at such time, including the latest maturity or expiration date of any Incremental Term Loan.

"L/C Commitment" means the lesser of (a) $10,000,000 and (b) the Revolving Credit Commitment.

"L/C Facility" means the letter of credit facility established pursuant to Article III.

"L/C Obligations" means at any time, an amount equal to the sum of (a) the aggregate undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to Section 3.5.

"L/C Participants" means, with respect to any Letter of Credit, the collective reference to all the Revolving Credit Lenders other than the Issuing Lender.

"Lender" means each Person executing this Agreement as a Lender on the Closing Date, each Term Loan Lender and any other Person that shall have become a party to this Agreement as a Lender pursuant to an Assignment and Assumption or pursuant to Section 2.7, other than any Person that ceases to be a party hereto as a Lender pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Lending Office" means, with respect to any Lender, the office of such Lender maintaining such Lender’s Extensions of Credit.

"Letter of Credit Application" means an application, in the form specified by the Issuing Lender from time to time, requesting the Issuing Lender to issue a Letter of Credit.

"Letters of Credit" means the collective reference to letters of credit issued pursuant to Section 3.1. Notwithstanding anything to the contrary contained herein, a letter of credit issued by the Issuing Lender (other than Wells Fargo at any time it is also acting as Administrative Agent) shall not be a "Letter of Credit" for purposes of the Loan Documents until such time as the Administrative Agent has been notified in writing of the issuance thereof by the Issuing Lender.

"LIBOR" means,

(a) for any interest rate calculation with respect to a LIBOR Rate Loan, the rate of interest per annum determined on the basis of the rate for deposits in Dollars for a period equal to the applicable Interest Period which appears on Reuters Screen LIBOR01 Page (or any applicable successor page) at approximately 11:00 a.m. (London time) two (2) London Banking Days prior to the first day of the applicable Interest Period. If, for any reason, such rate does not appear on Reuters Screen LIBOR01 Page (or any applicable successor page), then "LIBOR" shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which deposits in Dollars would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 a.m. (London time) two (2) London Banking Days prior to the first day of the applicable Interest Period, which appears on Reuters Screen LIBOR01 Page (or any applicable successor page).
time) two (2) London Banking Days prior to the first day of the applicable Interest Period for a period equal to such Interest Period.

(b) for any interest rate calculation with respect to a Base Rate Loan, the rate of interest per annum determined on the basis of the rate for deposits in Dollars for an Interest Period equal to one month (commencing on the date of determination of such interest rate) which appears on the Reuters Screen LIBOR01 Page (or any applicable successor page) at approximately 11:00 a.m. (London time) on such date of determination, or, if such date is not a Business Day, then the immediately preceding Business Day. If, for any reason, such rate does not appear on Reuters Screen LIBOR01 Page (or any applicable successor page) then “LIBOR” for such Base Rate Loan shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which deposits in Dollars would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 a.m. (London time) on such date of determination for a period equal to one month commencing on such date of determination.

Each calculation by the Administrative Agent of LIBOR shall be conclusive and binding for all purposes, absent manifest error.

“LIBOR Rate” means a rate per annum determined by the Administrative Agent pursuant to the following formula:

\[
\text{LIBOR Rate} = \frac{\text{LIBOR}}{1.00-\text{Eurodollar Reserve Percentage}}
\]

Notwithstanding the foregoing, if the LIBOR Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“LIBOR Rate Loan” means any Loan bearing interest at a rate based upon the LIBOR Rate as provided in Section 5.1(a).

“Lien” means, with respect to any asset, any mortgage, leasehold mortgage, lien, pledge, charge, security interest, hypothecation or encumbrance in the nature of a security interest of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease Obligation or other title retention agreement relating to such asset.

“Liquidity” shall mean, as of any date, the sum of (a) all Qualified Cash and Cash Equivalents of the Borrower and its Subsidiaries on such date and (b) the amount available and permitted to be drawn under the Revolving Credit Facility as of such date.

“Loan Documents” means, collectively, this Agreement, each Note, the Letter of Credit Applications, the Security Documents, the Guaranty Agreement and each other document, instrument, certificate and agreement executed and delivered by the Credit Parties or any of their respective Subsidiaries in favor of or provided to the Administrative Agent or any Secured Party in connection with this Agreement or otherwise referred to herein or contemplated hereby (excluding any Secured Hedge Agreement and any Secured Cash Management Agreement).

“Loans” means the collective reference to the Revolving Credit Loans, the Swingline Loans and the Term Loans, and “Loan” means any of such Loans.
"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

"Material Adverse Effect" means a material adverse change in (a) the business, operations, results of operations, assets, liabilities or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of any Credit Party to perform its obligations under any Loan Document to which it is a party, (c) the rights and remedies of the Administrative Agent or any Lender under any Loan Document, or (d) the legality, validity, binding effect or enforceability against any Credit Party of any Loan Document to which it is a party.

"Material Contract" means, with respect to any Credit Party, any contract, agreement, instrument or arrangement which is a type of material contract covered by Item 601(b)(10) of Regulation S-K.

"Minimum Collateral Amount" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 105% of the sum of (i) the Fronting Exposure of the Issuing Lender with respect to Letters of Credit issued and outstanding at such time and (ii) the Fronting Exposure of the Swingline Lender with respect to all Swingline Loans outstanding at such time, and (b) otherwise, an amount determined by the Administrative Agent and the Issuing Lender at such time in their reasonable discretion.

"Moody's" means Moody's Investors Services, Inc.

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which any Credit Party or any ERISA Affiliate is making, or is accruing an obligation to make, or has accrued an obligation to make contributions within the preceding seven (7) years.

"Net Cash Proceeds" means, as applicable, (a) with respect to any Asset Disposition or Insurance and Condemnation Event, the gross proceeds received by any Credit Party or any of its Subsidiaries therefrom (including any cash, Cash Equivalents, deferred payment pursuant to, or by monetization of, a note receivable or otherwise, as and when received, and any cash insurance proceeds or condemnation award proceeds) less the sum of (i) all income taxes and other taxes assessed by, or reasonably estimated to be payable to, a Governmental Authority as a result of such transaction (provided that if such estimated taxes exceed the amount of actual taxes required to be paid in cash in respect of such Asset Disposition, the amount of such excess shall constitute Net Cash Proceeds), (ii) all reasonable and customary out-of-pocket fees and expenses incurred in connection with such Asset Disposition and (iii) the principal amount of, premium, if any, and interest on any Indebtedness secured by a Lien on the asset (or a portion thereof) disposed of, which Indebtedness is required to be repaid in connection with such transaction or event, and (b) with respect to any Debt Issuance, the gross cash proceeds received by any Credit Party or any of its Subsidiaries therefrom less all reasonable and customary out-of-pocket legal, underwriting fees and expenses incurred in connection therewith.

"Net Share Settlement" shall mean any settlement upon conversion of Convertible Debt Securities consisting of Equity Interests, cash or a combination of cash and Equity Interests.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver, amendment, modification or termination that (a) requires the approval of all Lenders or all Affected Lenders in accordance with the terms of Section 12.2 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.
“Non-Guarantor Subsidiary” means any Subsidiary of the Borrower that is not a Subsidiary Guarantor.

“Notes” means the collective reference to the Revolving Credit Notes, the Swingline Note and the Incremental Term Loan Notes.

“Notice of Account Designation” has the meaning assigned thereto in Section 2.3(b).

“Notice of Borrowing” has the meaning assigned thereto in Section 2.3(a).

“Notice of Conversion/Continuation” has the meaning assigned thereto in Section 5.2.

“Notice of Prepayment” has the meaning assigned thereto in Section 2.4(c).

“Obligations” means, in each case, whether now in existence or hereafter arising: (a) the principal of and interest on (including interest accruing after the filing of any bankruptcy or similar petition) the Loans, (b) the L/C Obligations and (c) all other fees and commissions (including attorneys’ fees), charges, indebtedness, loans, liabilities, financial accommodations, obligations, covenants and duties owing by the Credit Parties and each of their respective Subsidiaries to the Lenders, the Issuing Lender or the Administrative Agent, in each case under any Loan Document, with respect to any Loan or Letter of Credit of every kind, nature and description, direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note and including interest and fees that accrue after the commencement by or against any Credit Party or any Subsidiary thereof of any proceeding under any Debtor Relief Laws, naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed in such proceeding.

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Officer’s Compliance Certificate” means a certificate of the chief financial officer or the treasurer of the Borrower substantially in the form attached as Exhibit F.

“Operating Lease” means, as to any Person as determined in accordance with GAAP, any lease of Property (whether real, personal or mixed) by such Person as lessee which is not a Capital Lease.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan Document).

“Other Taxes” means all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 5.12).

“Participant” has the meaning assigned thereto in Section 12.9(d).

“Participant Register” has the meaning assigned thereto in Section 12.9(d).
“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“PBGC” means the Pension Benefit Guaranty Corporation or any successor agency.

“Pension Plan” means any employee benefit plan within the meaning of Section 3(2) of ERISA, other than a Multiemployer Plan, which is subject to the provisions of Title IV of ERISA or Section 412 of the Code and which (a) is maintained, funded or administered for the employees of any Credit Party or any ERISA Affiliate or (b) has at any time within the preceding seven (7) years been maintained, funded or administered for the employees of any Credit Party or any current or former ERISA Affiliates.

“Permitted Acquisition” means any Acquisition by the Borrower or any Subsidiary if such Acquisition meets all of the following requirements:

(a) no less than ten (10) Business Days (or such shorter period of time as Administrative Agent may agree in its sole discretion) prior to the proposed closing date of such Acquisition, the Borrower shall have delivered written notice of such Acquisition to the Administrative Agent, which notice shall include the proposed closing date of such Acquisition;

(b) the Board of Directors and/or shareholders (or equivalent) of the Person to be acquired shall have approved the consummation of such Acquisition (which approval shall not have been withdrawn);

(c) the Person or business to be acquired shall be in a line of business permitted pursuant to Section 9.11;

(d) if such transaction is a merger or consolidation, (i) the Borrower shall be the surviving Person in such transaction involving the Borrower, or if such transaction is a merger or consolidation involving a Subsidiary Guarantor, either a Subsidiary Guarantor shall be the surviving Person or the surviving Person shall become a Subsidiary Guarantor within the applicable time period specified in Section 8.13, and (ii) no Change in Control shall have been effected thereby;

(e) the Borrower shall have delivered or will deliver to the Administrative Agent all documents required to be delivered pursuant to, and in accordance with, Section 8.13 in the applicable time periods specified therein;

(f) for any Acquisition with aggregate consideration (including cash, Cash Equivalents, Equity Interests, Earn-outs, Holdbacks and other deferred payment obligations) in excess of $25,000,000, no later than five (5) Business Days (or such lesser time as determined by the Administrative Agent in its sole discretion) prior to the proposed closing date of such Acquisition, the Borrower shall have delivered to the Administrative Agent an Officer’s Compliance Certificate for the most recent fiscal quarter end preceding such Acquisition for which financial statements are available demonstrating that the Borrower is in compliance on a Pro Forma Basis (as of the last day of such fiscal quarter and after giving effect thereto and any Indebtedness incurred in connection therewith) with each covenant contained in Section 9.13;

(g) for any Acquisition with aggregate consideration (including cash, Cash Equivalents, Equity Interests, Earn-outs, Holdbacks and other deferred payment obligations) in excess of $50,000,000, no later than five (5) Business Days (or such lesser time as determined by the Administrative Agent in its sole discretion) prior to the proposed closing date of such Acquisition, the Borrower shall have delivered to the Administrative Agent:
(i) forecasted balance sheets, profit and loss statements and cash flow statements for the Person to be acquired, all prepared on a basis consistent with such Person’s historical financial statements, together with appropriate supporting details and a statement of underlying assumptions for the one (1) year period following the date of the proposed Acquisition, on a quarterly basis, in form and substance (including, without limitation, as to scope and underlying assumptions) reasonably satisfactory to the Administrative Agent; and

(ii) copies of substantially final documentation entered into in connection with such Acquisition, which shall be in form and substance reasonably satisfactory to the Administrative Agent;

(b) no Default or Event of Default shall have occurred and be continuing both before and immediately after giving effect to such Acquisition;

(i) the consideration for all Acquisitions of Non-Guarantor Subsidiaries consummated during the term of this Agreement shall not exceed $150,000,000 in the aggregate;

(j) the Borrower shall have Liquidity of not less than $35,000,000 immediately after giving effect to the Acquisition; and

(k) for any Acquisition with aggregate consideration (including cash, Cash Equivalents, Equity Interests, Earn-outs, Holdbacks and other deferred payment obligations) in excess of $25,000,000, not later than five (5) Business Days (or such later date as Administrative Agent may agree in its sole discretion) following the consummation of such Acquisition, the Borrower shall have delivered to the Administrative Agent a certificate of a Responsible Officer thereof certifying that all of the requirements set forth above have been satisfied.

"Permitted Call Spread Agreements" means (a) any contract (including, but not limited to, any convertible bond hedge or capped call transaction) pursuant to which, among other things, the Borrower acquires an option requiring the counterparty thereto to deliver to the Borrower shares of common stock of the Borrower, cash in lieu of delivering shares of common stock or cash representing the termination value of such option or a combination thereof from time to time upon exercise or early termination of such option and (b) any contract pursuant to which, among other things, the Borrower issues to the counterparty thereto warrants to acquire shares of common stock of the Borrower, the cash value of such shares or a combination thereof upon exercise of such warrants, in each case entered into by the Borrower in connection with the issuance of Convertible Debt Securities (including, without limitation, the exercise of any over-allotment or underwriter’s option); provided that the terms, conditions and covenants of such contract are customary for contracts of such type (as determined by the Borrower in good faith).

"Permitted Holder" means Steve Winn and his Affiliates or any other entity to which Mr. Winn may be attributed beneficial ownership (as defined in Rule 13d-3 under the Exchange Act), other than affiliate portfolio companies.

"Permitted Liens" means the Liens permitted pursuant to Section 9.2.

"Permitted Refinancing Indebtedness" means any Indebtedness (the "Refinancing Indebtedness"), the proceeds of which are used to refinance, refund, renew, extend or replace outstanding Indebtedness...
(such outstanding Indebtedness, the "Refinanced Indebtedness"); provided that (a) the principal amount (or accreted value, if applicable) of such Refinancing Indebtedness is not greater than the principal amount (or accreted value, if applicable) of the Refinanced Indebtedness at the time of such refinancing, refunding, renewal, extension or replacement, except by an amount equal to unpaid accrued interest and premium thereon plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal, extension or replacement; and by an amount equal to any existing commitments thereunder that have not been utilized at the time of such refinancing, refunding, renewal, extension or replacement, (b) the final maturity and weighted average life to maturity of such Refinancing Indebtedness shall not be prior to or shorter than that applicable to the Refinanced Indebtedness, (c) the primary obligor of such Refinancing Indebtedness shall be the same as the primary obligor of the Refinanced Indebtedness, (d) such Refinancing Indebtedness shall not be secured by (i) Liens on assets other than (x) assets securing the Refinanced Indebtedness at the time of such refinancing, refunding, renewal, extension or replacement, (y) any after-acquired property that is affixed or incorporated into the property covered by such Liens and (z) proceeds and products thereof, or (ii) Liens having a higher priority than the Liens, if any, securing the Refinanced Indebtedness, (e) such Refinancing Indebtedness shall not be guaranteed by or otherwise recourse to any Person other than the Person(s) to whom the Refinanced Indebtedness is recourse or by whom it is guaranteed, in each case as of the time of such refinancing, refunding, renewal, extension or replacement, (f) to the extent such Refinancing Indebtedness is subordinated in right of payment to the Obligations (or the Liens securing such Indebtedness were originally contractually subordinated to the Liens securing the Collateral pursuant to the Security Documents), such refinancing, refunding, renewal, extension or replacement is subordinated in right of payment to the Obligations (or the Liens securing such Indebtedness shall be subordinated to the Liens securing the Collateral pursuant to the Security Documents) on terms at least as favorable to the Lenders as those contained in the documentation governing such Refinanced Indebtedness, (g) the terms of such Refinancing Indebtedness, taken as a whole, are not materially more restrictive on the Borrower and its Subsidiaries than the terms of the Refinanced Indebtedness, taken as a whole, and (h) no Event of Default shall have occurred and be continuing at the time of such refinancing, refunding, renewal, extension or replacement.

"Person" means any individual, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Platform" has the meaning assigned thereto in Section 8.2.

"Prime Rate" means, at any time, the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The parties hereto acknowledge that the rate announced publicly by the Administrative Agent as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

"Pro Forma Basis" means, for purposes of calculating Consolidated EBITDA for any period during which one or more Specified Transactions occurs, that such Specified Transaction (and all other Specified Transactions that have been consummated during the applicable period) shall be deemed to have occurred as of the first day of the applicable period of measurement and Consolidated EBITDA shall be determined by (a) with respect to any such Specified Disposition, excluding the Consolidated EBITDA attributable to the Property or Person disposed of in such Specified Disposition and (b) with respect to any such Permitted Acquisition, including the Consolidated EBITDA attributable to the Property or Person acquired in such Permitted Acquisition, in each case for such period (calculated based on the Consolidated EBITDA for such Property or Person prior to such acquisition, including any amounts added back or deducted pursuant to the definition of Consolidated EBITDA) (provided that such Consolidated EBITDA to be included is reflected in financial statements or other financial data.
reasonably acceptable to the Administrative Agent and based upon reasonable assumptions and calculations which are expected to have a continuous impact); provided that the foregoing amounts shall be without duplication of any adjustments that are already included in the calculation of Consolidated EBITDA.

If a transaction which is conditioned on compliance on a Pro Forma Basis with the covenants set forth in Section 9.13 is consummated prior to the first date on which such covenant is required to be satisfied, the level required for such first date shall be deemed to apply for determining such compliance on a Pro Forma Basis.

Any Permitted Acquisition or incurrence of Indebtedness under Section 9.1(r) which is conditioned on, or determined by reference to, compliance on a Pro Forma Basis with Section 9.13, may include an increase in the required Consolidated Net Leverage Ratio under Section 9.13(a) to the extent permitted pursuant to the second paragraph of such Section if the Borrower has elected to exercise such increase by giving written notice to the Administrative Agent not less than five (5) Business Days' prior to the consummation of such Permitted Acquisition or incurrence of Indebtedness.

“Property” means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Equity Interests.

“Public Lenders” has the meaning assigned thereto in Section 8.2.

“Qualified Cash and Cash Equivalents” means, as of any date of determination, the aggregate amount of Unrestricted cash and Cash Equivalents held by the Borrower and its Subsidiaries in deposit accounts or securities accounts located within the United States and covered by a control agreement in favor of the Administrative Agent. For purposes hereof, “Unrestricted” means, when referring to cash and Cash Equivalents of the Borrower and its Subsidiaries, that such cash and Cash Equivalents (a) do not appear or would not be required to appear as “restricted” on the financial statements of the Borrower or any such Subsidiary (unless related to the Loan Documents or the Liens created thereunder) or (b) are not subject to a Lien (other than Liens permitted under Section 9.2(a) or (k)).

“Qualified Equity Interests” means any Equity Interests that are not Disqualified Equity Interests.

“Qualified Unsecured Debt Issuance” means the issuance of unsecured debt securities (whether convertible or non-convertible) by the Borrower pursuant to Section 9.1(r) in an outstanding principal or accreted amount of $150,000,000 or more, on customary market terms (as determined in good faith by the Borrower).

“Recipient” means (a) the Administrative Agent, (b) any Lender and (c) the Issuing Lender, as applicable.

“Register” has the meaning assigned thereto in Section 12.9(c).

“Reimbursement Obligation” means the obligation of the Borrower to reimburse the Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit issued by the Issuing Lender.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.
“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than fifty percent (50%) of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders.

“Required Revolving Credit Lenders” means, at any date, any combination of Revolving Credit Lenders holding more than fifty percent (50%) of the sum of the aggregate amount of the Revolving Credit Commitment or, if the Revolving Credit Commitment has been terminated, any combination of Revolving Credit Lenders holding more than fifty percent (50%) of the aggregate Revolving Credit Exposure; provided that the Revolving Credit Commitment of, and the portion of the Revolving Credit Exposure, as applicable, held or deemed held by, any Defaulting Lender shall be disregarded in determining Required Revolving Credit Lenders.

“Required Term Loan Lenders” means, at any time, Term Loan Lenders having outstanding Term Loans and Incremental Term Loan Commitments representing more than fifty percent (50%) of the aggregate principal amount of all outstanding Term Loans and Incremental Term Loan Commitments. The outstanding Term Loans of any Defaulting Lender shall be disregarded in determining Required Term Loan Lenders.

“Responsible Officer” means, as to any Person, the chief executive officer, president, chief financial officer, controller, treasurer or assistant treasurer of such Person or any other officer of such Person designated in writing by the Borrower or any Subsidiary Guarantor and reasonably acceptable to the Administrative Agent. Any document delivered hereunder or under any other Loan Document that is signed by a Responsible Officer of a Person shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Person and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Person.

“Restricted Payment” has the meaning assigned thereto in Section 9.6.

“Revolving Commitment Increase” shall have the meaning assigned thereto in Section 2.7(a).

“Revolving Credit Commitment” means (a) as to any Revolving Credit Lender, the obligation of such Revolving Credit Lender to make Revolving Credit Loans to, and to purchase participations in L/C Obligations and Swingline Loans for the account of, the Borrower hereunder in an aggregate principal amount at any time outstanding not to exceed the amount set forth opposite such Revolving Credit Lender’s name on the Register, as such amount may be modified at any time or from time to time pursuant to the terms hereof (including, without limitation, Section 2.7) and (b) as to all Revolving Credit Lenders, the aggregate commitment of all Revolving Credit Lenders to make Revolving Credit Loans, as such amount may be modified at any time or from time to time pursuant to the terms hereof (including, without limitation, Section 2.7). The aggregate Revolving Credit Commitment of all the Revolving Credit Lenders on the Closing Third Amendment Effective Date shall be $200,000,000. The initial Revolving Credit Commitment of each Revolving Credit Lender as of the First Third Amendment Effective Date is set forth opposite the name of such Lender on Schedule 1.1.

“Revolving Credit Commitment Percentage” means, with respect to any Revolving Credit Lender, at any time, the percentage of the total Revolving Credit Commitments of all the Revolving Credit Lenders represented by such Revolving Credit Lender’s Revolving Credit Commitment. If the Revolving Credit Commitments have terminated or expired, the Revolving Credit Commitment Percentages shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments. The initial Revolving Credit Commitment Percentage of each Revolving Credit Lender as of the First Third Amendment Effective Date is set forth opposite the name of such Lender on Schedule 1.1.
“Revolving Credit Exposure” means, as to any Revolving Credit Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Credit Loans and such Revolving Credit Lender’s participation in L/C Obligations and Swingline Loans at such time.

“Revolving Credit Facility” means the revolving credit facility established pursuant to Article II (including any increase in such revolving credit facility established pursuant to Section 2.7).

“Revolving Credit Maturity Date” means the earliest to occur of (a) September 30, 2019, February 27, 2022, (b) the date of termination of the entire Revolving Credit Commitment by the Borrower pursuant to Section 2.5 and (c) the date of termination of the Revolving Credit Commitment pursuant to Section 10.2(a).

“Revolving Credit Lenders” means, collectively, all of the Lenders with a Revolving Credit Commitment.

“Revolving Credit Loan” means any revolving loan made to the Borrower pursuant to Section 2.1, and all such revolving loans collectively as the context requires.

“Revolving Credit Note” means a promissory note made by the Borrower in favor of a Revolving Credit Lender evidencing the Revolving Credit Loans made by such Revolving Credit Lender, substantially in the form attached as Exhibit A-1, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

“Revolving Credit Outstandings” means the sum of (a) with respect to Revolving Credit Loans and Swingline Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Credit Loans and Swingline Loans, as the case may be, occurring on such date; plus (b) with respect to any L/C Obligations on any date, the aggregate outstanding amount thereof on such date after giving effect to any Extensions of Credit occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any Letters of Credit or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

“Revolving Extensions of Credit” means (a) any Revolving Credit Loan then outstanding, (b) any Letter of Credit then outstanding or (c) any Swingline Loan then outstanding.


“Sale Leaseback” means any arrangement pursuant to which any Credit Party or any Subsidiary thereof, directly or indirectly becomes or remains liable as lessee or as guarantor or other surety with respect to any lease, whether an operating lease or a Capital Lease, of any Property (whether real, personal or mixed), whether now owned or hereafter acquired, (a) which any Credit Party or any Subsidiary thereof has sold or transferred or is to sell or transfer to a Person which is not another Credit Party or Subsidiary of a Credit Party or (b) which any Credit Party or any Subsidiary thereof intends to use for substantially the same purpose as any other Property that has been sold or is to be sold or transferred by such Credit Party or such Subsidiary to another Person which is not another Credit Party or Subsidiary of a Credit Party in connection with such lease.

“Sanctioned Country” means at any time, a country or territory which is itself the subject or target of any Sanctions (including, without limitation, Cuba, Iran, North Korea, Sudan and Syria).
"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) and (b).

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC), the European Union, Her Majesty’s Treasury, or other relevant sanctions authority.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Second Amendment Effective Date" means February 15, 2017.

"Secured Cash Management Agreement" means any Cash Management Agreement between or among any Credit Party and any Cash Management Bank.

"Secured Hedge Agreement" means any Hedge Agreement between or among any Credit Party and any Hedge Bank.

"Secured Obligations" means, collectively, (a) the Obligations and (b) all existing or future payment and other obligations owing by any Credit Party under (i) any Secured Hedge Agreement (other than an Excluded Swap Obligation) and (ii) any Secured Cash Management Agreement.

"Secured Parties" means, collectively, the Administrative Agent, the Lenders, the Issuing Lender, the Hedge Banks, the Cash Management Banks, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 11.5, any other holder from time to time of any of any Secured Obligations and, in each case, their respective successors and permitted assigns.

"Security Documents" means the collective reference to the Collateral Agreement and each other agreement or writing pursuant to which any Credit Party pledges or grants a security interest in any Property or assets securing the Secured Obligations.

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments generally as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Disposition" means any Asset Disposition having gross sales proceeds in excess of $25,000,000.
“Specified Transactions” means (a) any Specified Disposition, (b) any Permitted Acquisition and (c) the Transactions.

“Subordinated Indebtedness” means the collective reference to any Indebtedness incurred by the Borrower or any of its Subsidiaries that is subordinated in right and time of payment to the Obligations on terms and conditions reasonably satisfactory to the Administrative Agent.

“Subsidiary” means as to any Person, any corporation, partnership, limited liability company or other entity of which more than fifty percent (50%) of the outstanding Equity Interests having ordinary voting power to elect a majority of the board of directors (or equivalent governing body) or other managers of such corporation, partnership, limited liability company or other entity is at the time owned by (directly or indirectly) or the management is otherwise controlled by (directly or indirectly) such Person (irrespective of whether, at the time, Equity Interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency). Unless otherwise qualified, references to “Subsidiary” or “Subsidiaries” herein shall refer to those of the Borrower.

“Subsidiary Guarantors” means, collectively, all direct and indirect Domestic Subsidiaries of the Borrower (other than any Immaterial Subsidiary and any Excluded Subsidiary) in existence on the Closing Date or which become a party to the Guaranty Agreement pursuant to Section 8.13.

“Swap Obligation” means, with respect to any Subsidiary Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swingline Commitment” means the lesser of (a) $20,000,000 and (b) the Revolving Credit Commitment.

“Swingline Facility” means the swingline facility established pursuant to Section 2.2.

“Swingline Lender” means Wells Fargo in its capacity as swingline lender hereunder or any successor thereunto.

“Swingline Loan” means any swingline loan made by the Swingline Lender to the Borrower pursuant to Section 2.2, and all such swingline loans collectively as the context requires.

“Swingline Note” means a promissory note made by the Borrower in favor of the Swingline Lender evidencing the Swingline Loans made by the Swingline Lender, substantially in the form attached as Exhibit A-2, and any substitutes therefore, and any replacements, restatements, renewals or extensions thereof, in whole or in part.

“Synthetic Lease” means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product where such transaction is considered borrowed money indebtedness for tax purposes but is classified as an Operating Lease in accordance with GAAP.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“Term Loan Lenders” means, collectively, all of the Lenders with an Incremental Term Loan Commitment and/or outstanding Term Loans.
“Term Loan Maturity Date” means (a) with respect to the Incremental Term Loan-1, the earlier to occur of (i) September 30, 2019 or February 27, 2022 and (ii) the date of the acceleration of the Term Loans pursuant to Section 10.2(a), and (b) with respect to any other Term Loan, the earlier to occur of (i) the date of maturity determined by the applicable Term Lenders pursuant to Section 2.7 and (ii) the date of the acceleration of the Term Loans pursuant to Section 10.2(a).

“Term Loan Percentage” means, with respect to any Term Loan Lender at any time, the percentage of the total outstanding principal balance of the Term Loans represented by the outstanding principal balance of such Term Loan Lender’s Term Loans.

“Term Loans” means the Incremental Term Loan-1 (including the Delayed Draw Term Loan) and, if applicable, any additional Incremental Term Loans.

“Termination Event” means the occurrence of any of the following which, individually or in the aggregate, has resulted or could reasonably be expected to result in liability of the Borrower in an aggregate amount in excess of the Threshold Amount: (a) a “Reportable Event” described in Section 4043 of ERISA for which the thirty (30) day notice requirement has not been waived by the PBGC, or (b) the withdrawal of any Credit Party or any ERISA Affiliate from a Pension Plan during a plan year in which it was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, or (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, or (d) the institution of proceedings to terminate, the appointment of a trustee with respect to, any Pension Plan by the PBGC, or (e) any other event or condition which would constitute grounds under Section 4042(a) of ERISA for the termination of a Multiemployer Plan, or (f) the imposition of a Lien pursuant to Section 430(k) of the Code or Section 303 of ERISA, or (g) the determination that any Pension Plan or Multiemployer Plan is considered an at-risk plan or plan in endangered or critical status with the meaning of Sections 430, 431 or 432 of the Code or Sections 303, 304 or 305 of ERISA or (h) the partial or complete withdrawal of any Credit Party or any ERISA Affiliate from a Multiemployer Plan if withdrawal liability is asserted by such plan, or (i) any event or condition which results in the reorganization or insolvency of a Multiemployer Plan under Sections 4241 or 4245 of ERISA, or (j) any event or condition which results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by PBGC of proceedings to terminate a Multiemployer Plan under Section 4042 of ERISA, or (k) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Credit Party or any ERISA Affiliate.

“Third Amendment Effective Date” means February 27, 2017.

“Threshold Amount” means $15,000,000.

“Total Credit Exposure” means, as to any Lender at any time, the unused Commitments, Revolving Credit Exposure and outstanding Term Loans of such Lender at such time.

“Transactions” means, collectively, (a) the repayment in full of all Indebtedness outstanding under the Existing Credit Agreement, (b) the initial Extensions of Credit and (c) the payment of all fees, commissions and expenses incurred in connection with the foregoing.

“UCC” means the Uniform Commercial Code as in effect in the State of New York.

“United States” means the United States of America.
"U.S. Borrower" means any Borrower that is a U.S. Person.

"U.S. Person" means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned thereto in Section 5.11(g).

"Wells Fargo" means Wells Fargo Bank, National Association, a national banking association.

"Wholly-Owned" means, with respect to a Subsidiary, that all of the Equity Interests of such Subsidiary are, directly or indirectly, owned or controlled by the Borrower and/or one or more of its Wholly-Owned Subsidiaries (except for directors’ qualifying shares or other shares required by Applicable Law to be owned by a Person other than the Borrower and/or one or more of its Wholly-Owned Subsidiaries).

"Withholding Agent" means the Borrower and the Administrative Agent.

SECTION 1.2 Other Definitions and Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document: (a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined, (b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms, (c) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, (d) the word “will” shall be construed to have the same meaning and effect as the word “shall”, (e) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (f) the words “herein”, “hereof” and “hereunder”; and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (h) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (i) the term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form and (j) in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including”.

SECTION 1.3 Accounting Terms.

(a) All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP, applied on a consistent basis, as in effect from time to time and in a manner consistent with that used in preparing the audited financial statements required by Section 6.1(c)(ii) or Section 8.1(a), as applicable, except as otherwise specifically prescribed herein. 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 (i) FASB ASC 825 (ii) FASB ASC 470-20 and (iii) any accounting change described in the Proposed Accounting Standards Update to Leases (Topic 840) dated August 17, 2010, the Proposed Accounting Standards Update (Revised) to Leases (Topic 842) dated May 16, 2013 shall each be disregarded.
If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP as in effect immediately prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

SECTION 1.4  **UCC Terms.** Terms defined in the UCC in effect on the Closing Date and not otherwise defined herein shall, unless the context otherwise indicates, have the meanings provided by those definitions. Subject to the foregoing, the term "UCC" refers, as of any date of determination, to the UCC then in effect.

SECTION 1.5  **Rounding.** Any financial ratios required to be maintained pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio or percentage is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

SECTION 1.6  **References to Agreement and Laws.** Unless otherwise expressly provided herein, (a) any definition or reference to formation documents, governing documents, agreements (including the Loan Documents) and other contractual documents or 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 (b) any definition or reference to any Applicable Law, including, without limitation, the Code, the Commodity Exchange Act, ERISA, the Exchange Act, the PATRIOT Act, the Securities Act of 1933, the UCC, the Investment Company Act of 1940, the Interstate Commerce Act, the Trading with the Enemy Act of the United States or any of the foreign assets control regulations of the United States Treasury Department, shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Applicable Law.

SECTION 1.7  **Times of Day.** Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

SECTION 1.8  **Letter of Credit Amounts.** Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the maximum face amount of such Letter of Credit after giving effect to all increases thereof contemplated by such Letter of Credit or the Letter of Credit Application therefor (at the time specified therefor in such applicable Letter of Credit or Letter of Credit Application and as such amount may be reduced by (a) any permanent reduction of such Letter of Credit or (b) any amount which is drawn, reimbursed and no longer available under such Letter of Credit).

SECTION 1.9  **Guarantees.** Unless otherwise specified, the amount of any Guarantee shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee.
SECTION 1.10 Covenant Compliance Generally. For purposes of determining compliance under Sections 9.1, 9.2, 9.3, 9.5, and 9.6, any amount in a currency other than Dollars will be converted to Dollars in a manner consistent with that used in calculating Consolidated Net Income in the most recent annual financial statements of the Borrower and its Subsidiaries delivered pursuant to Section 6.1(e)(i) or Section 8.1(a), as applicable. Notwithstanding the foregoing, for purposes of determining compliance with Sections 9.1, 9.2, and 9.3, with respect to any amount of Indebtedness or Investment in a currency other than Dollars, no breach of any basket contained in such Sections shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness or Investment is incurred; provided that for the avoidance of doubt, the foregoing provisions of this Section 1.10 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness or Investment may be incurred at any time under such Sections.

ARTICLE II

REVOLVING CREDIT FACILITY

SECTION 2.1 Revolving Credit Loans. 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, each Revolving Credit Lender severally agrees to make Revolving Credit Loans to the Borrower from time to time from the Closing Date to, but not including, the Revolving Credit Maturity Date as requested by the Borrower in accordance with the terms of Section 2.3; provided, that (a) the Revolving Credit Outstandings shall not exceed the Revolving Credit Commitment and (b) the Revolving Credit Exposure of any Revolving Credit Lender shall not at any time exceed such Revolving Credit Lender’s Revolving Credit Commitment. Each Revolving Credit Loan by a Revolving Credit Lender shall be in a principal amount equal to such Revolving Credit Lender’s Revolving Credit Commitment Percentage of the aggregate principal amount of Revolving Credit Loans requested on such occasion. Subject to the terms and conditions hereof, the Borrower may borrow, repay and reborrow Revolving Credit Loans hereunder until the Revolving Credit Maturity Date.

SECTION 2.2 Swingline Loans.

(a) Availability. Subject to the terms and conditions of this Agreement and the other Loan Documents, including, without limitation, Section 6.2(d) of this Agreement, and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, the Swingline Lender may, in its sole discretion, make Swingline Loans to the Borrower from time to time from the Closing Date to, but not including, the Revolving Credit Maturity Date; provided, that (a) after giving effect to any amount requested, the Revolving Credit Outstandings shall not exceed the Revolving Credit Commitment and (b) the aggregate principal amount of all outstanding Swingline Loans (after giving effect to any amount requested) shall not exceed the Swingline Commitment. Subject to the terms and conditions hereof, the Borrower may borrow, repay and reborrow Swingline Loans hereunder until the Revolving Credit Maturity Date.

(b) Refunding.

(i) Swingline Loans shall be refunded by the Revolving Credit Lenders on demand by the Swingline Lender. Such refundings shall be made by the Revolving Credit Lenders in accordance with their respective Revolving Credit Commitment Percentages and shall thereafter be reflected as Revolving Credit Loans of the Revolving Credit Lenders on the books and records of the Administrative Agent. Each Revolving Credit Lender shall fund its respective Revolving Credit Commitment Percentage of Swingline 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. No Revolving Credit Lender's obligation to fund its respective Revolving Credit Commitment Percentage of a Swingline Loan shall be affected by any other Revolving Credit Lender's failure to fund its Revolving Credit Commitment Percentage of a Swingline Loan, nor shall any Revolving Credit Lender's Revolving Credit Commitment Percentage be increased as a result of any such failure of any other Revolving Credit Lender to fund its Revolving Credit Commitment 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 Revolving Credit Lenders are not sufficient to repay in full the outstanding Swingline Loans requested or required to be refunded. 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 Revolving Credit 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 Revolving Credit Lenders in accordance with their respective Revolving Credit Commitment 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 11.2 and which such Event of Default has not been waived by the Required Lenders or the Lenders, as applicable).

(iii) Each Revolving Credit 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 VI. Further, each Revolving Credit 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 Section 10.1(h) or (i) shall have occurred, each Revolving Credit Lender will, on the date the applicable Revolving Credit Loan would have been made, purchase an undivided participating interest in the Swingline Loan to be refunded in an amount equal to its Revolving Credit Commitment Percentage of the aggregate amount of such Swingline Loan. Each Revolving Credit 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 Revolving Credit Lender a certificate evidencing such participation dated the date of receipt of such funds and for such amount. Whenever, at any time after the Swingline Lender has received from any Revolving Credit Lender such Revolving Credit Lender's participating interest in a Swingline Loan, the Swingline Lender receives any payment on account thereof, the Swingline Lender will distribute to such Revolving Credit Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Revolving Credit Lender's participating interest was outstanding and funded).

(c) Defaulting Lenders. Notwithstanding anything to the contrary contained in this Agreement, this Section 2.2 shall be subject to the terms and conditions of Section 5.14 and Section 5.15.
SECTION 2.3 Procedure for Advances of Revolving Credit Loans and Swingline Loans

(a) **Requests for Borrowing.** The Borrower shall give the Administrative Agent irrevocable prior written notice substantially in the form of Exhibit B (a “Notice of Borrowing”) not later than 12:00 p.m. (i) on the same Business Day as each Base Rate Loan and each Swingline Loan and (ii) at least three (3) Business Days before each LIBOR Rate Loan (or, in the case of any LIBOR Rate Loans to be borrowed on the Closing Date, such shorter period of time as may be agreed to by the Administrative Agent and the Lenders), of its intention to borrow, specifying (A) the date of such borrowing, which shall be a Business Day, (B) the amount of such borrowing, which shall be, (x) with respect to Base Rate Loans (other than Swingline Loans) in an aggregate principal amount of $3,000,000 or a whole multiple of $1,000,000 in excess thereof, (y) with respect to LIBOR Rate Loans in an aggregate principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof and (z) with respect to Swingline Loans in an aggregate principal amount of $500,000 or a whole multiple of $100,000 in excess thereof, (C) whether such Loan is to be a Revolving Credit Loan or Swingline Loan, (D) in the case of a Revolving Credit Loan whether the Loans are to be LIBOR Rate Loans or Base Rate Loans, and (E) in the case of a LIBOR Rate Loan, the duration of the Interest Period applicable thereto. If the Borrower fails to specify a type of Loan in a Notice of Borrowing, then the applicable Loans shall be made as Base Rate Loans. If the Borrower requests a borrowing of LIBOR Rate Loans in any such Notice of Borrowing, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. A Notice of Borrowing received after 12:00 p.m. shall be deemed received on the next Business Day. The Administrative Agent shall promptly notify the Revolving Credit Lenders of each Notice of Borrowing.

(b) **Disbursement of Revolving Credit and Swingline Loans.** Not later than 2:00 p.m. on the proposed borrowing date, (i) each Revolving Credit Lender will make available to the Administrative Agent, for the account of the Borrower, at the office of the Administrative Agent in funds immediately available to the Administrative Agent, such Revolving Credit Lender’s Revolving Credit Commitment Percentage of the Revolving Credit Loans to be made on such borrowing date and (ii) the Swingline Lender will make available to the Administrative Agent, for the account of the Borrower, at the office of the Administrative Agent in funds immediately available to the Administrative Agent, the Swingline Loans 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 in immediately available funds by crediting or wiring such proceeds to the deposit account of the Borrower identified in the most recent notice substantially in the form attached as Exhibit C (a “Notice of Account Designation”) delivered by the Borrower to the Administrative Agent or as may be otherwise agreed upon by the Borrower and the Administrative Agent from time to time. Subject to Section 5.7 hereof, the Administrative Agent shall not be obligated to disburse the portion of the proceeds of any Revolving Credit Loan requested pursuant to this Section to the extent that any Revolving Credit Lender has not made available to the Administrative Agent its Revolving Credit Commitment Percentage of such Loan. Revolving Credit Loans to be made for the purpose of refunding Swingline Loans shall be made by the Revolving Credit Lenders as provided in Section 2.2(b).

SECTION 2.4 Repayment and Prepayment of Revolving Credit and Swingline Loans.

(a) **Repayment on Termination Date.** The Borrower hereby agrees to repay the outstanding principal amount of (i) all Revolving Credit Loans in full on the Revolving Credit Maturity Date, and (ii) all Swingline Loans in accordance with Section 2.2(b) (but, in any event, no later than the Revolving Credit Maturity Date), together, in each case, with all accrued but unpaid interest thereon.

(b) **Mandatory Prepayments.** If at any time the Revolving Credit Outstandings exceed the Revolving Credit Commitment, the Borrower agrees to repay immediately upon notice from the Administrative Agent, by payment to the Administrative Agent for the account of the Revolving Credit
Lenders. Extensions of Credit in an amount equal to such excess with each such repayment applied first, to the principal amount of outstanding Swingline Loans, second to the principal amount of outstanding Revolving Credit Loans and third, with respect to any Letters of Credit then outstanding, a payment of Cash Collateral into a Cash Collateral account opened by the Administrative Agent, for the benefit of the Revolving Credit Lenders, in an amount equal to such excess (such Cash Collateral to be applied in accordance with Section 10.2(b)).

(c) Optional Prepayments. The Borrower may at any time and from time to time prepay Revolving Credit Loans and Swingline Loans, in whole or in part, with irrevocable prior written notice to the Administrative Agent substantially in the form attached as Exhibit D (a “Notice of Prepayment”) given not later than 12:00 p.m. (i) on the same Business Day as each Base Rate Loan and each Swingline Loan and (ii) at least three (3) Business Days before each LIBOR Rate Loan, specifying the date and amount of prepayment and whether the prepayment is of LIBOR Rate Loans, Base Rate Loans, Swingline 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 Revolving Credit 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 prepayments shall be in an aggregate amount of $3,000,000 or a whole multiple of $1,000,000 in excess thereof with respect to Base Rate Loans (other than Swingline Loans), $5,000,000 or a whole multiple of $1,000,000 in excess thereof with respect to LIBOR Rate Loans and $500,000 or a whole multiple of $100,000 in excess thereof with respect to Swingline Loans. A Notice of Prepayment received after 12:00 p.m. shall be deemed received on the next Business Day. Each such repayment shall be accompanied by any amount required to be paid pursuant to Section 5.9 hereof. Notwithstanding the foregoing, any Notice of a Prepayment delivered in connection with any refinancing of all of the Credit Facility or the proceeds of such refinancing or of any incurrence of Indebtedness or the occurrence of some other identifiable event or condition, may be, if expressly so stated to be, contingent upon the consummation of such refinancing or incurrence or occurrence of such other identifiable event or condition and may be revoked by the Borrower in the event such condition is not satisfied (provided that the failure of such contingency shall not relieve the Borrower from its obligations in respect thereof under Section 5.9).

(d) Limitation on Prepayment of LIBOR Rate Loans. The Borrower may not prepay any LIBOR Rate Loan on any day other than on the last day of the Interest Period applicable thereto unless such prepayment is accompanied by any amount required to be paid pursuant to Section 5.9 hereof.

(e) Hedge Agreements. No repayment or prepayment of the Loans pursuant to this Section shall affect any of the Borrower’s obligations under any Hedge Agreement entered into with respect to the Loans.

SECTION 2.5 Permanent Reduction of the Revolving Credit Commitment

(a) Voluntary Reduction. The Borrower shall have the right at any time and from time to time, upon at least three (3) Business Days prior irrevocable written notice to the Administrative Agent, to permanently reduce, without premium or penalty, (i) the entire Revolving Credit Commitment at any time or (ii) portions of the Revolving Credit Commitment, from time to time, in an aggregate principal amount not less than $3,000,000 or any whole multiple of $1,000,000 in excess thereof. Any reduction of the Revolving Credit Commitment shall be applied to the Revolving Credit Commitment of each Revolving Credit Lender according to its Revolving Credit Commitment Percentage. All Commitment Fees accrued until the effective date of any termination of the Revolving Credit Commitment shall be paid on the effective date of such termination. Notwithstanding the foregoing, any notice to reduce the Revolving Credit Commitment delivered in connection with any refinancing of all of the Credit Facility with the proceeds of such refinancing or of any incurrence of Indebtedness or the occurrence of some other
identifiable event or condition, may be, if expressly so stated to be, contingent upon the consummation of such refinancing or incurrence or occurrence of such identifiable event or condition and may be revoked by the Borrower in the event such condition is not satisfied (provided that the failure of such contingency shall not relieve the Borrower from its obligations in respect thereof under Section 5.9).

(b) Corresponding Payment. Each permanent reduction permitted pursuant to this Section shall be accompanied by a payment of principal sufficient to reduce the aggregate outstanding Revolving Credit Loans, Swingline Loans and L/C Obligations, as applicable, after such reduction to the Revolving Credit Commitment as so reduced, and if the aggregate amount of all outstanding Letters of Credit exceeds the Revolving Credit Commitment as so reduced, the Borrower shall be required to deposit Cash Collateral in a Cash Collateral account opened by the Administrative Agent in an amount equal to such excess. Such Cash Collateral shall be applied in accordance with Section 10.2(b). Any reduction of the Revolving Credit Commitment to zero shall be accompanied by payment of all outstanding Revolving Credit Loans and Swingline Loans (and furnishing of Cash Collateral satisfactory to the Administrative Agent for all L/C Obligations) and shall result in the termination of the Revolving Credit Commitment and the Swingline Commitment and the Revolving Credit Facility. If the reduction of the Revolving Credit Commitment requires the repayment of any LIBOR Rate Loan, such repayment shall be accompanied by any amount required to be paid pursuant to Section 5.9 hereof.

SECTION 2.6 Termination of Revolving Credit Facility. The Revolving Credit Facility and the Revolving Credit Commitments shall terminate on the Revolving Credit Maturity Date.

SECTION 2.7 Incremental Commitments.

(a) Request for Incremental Commitments. At any time after the earlier to occur of the Delayed Draw Funding Deadline and the Delayed Draw Funding Date and from time to time, the Borrower may by written notice to the Administrative Agent (who shall promptly notify the Lenders) request (i) one or more increases in the Revolving Credit Commitments (a "Revolving Commitment Increase") or (ii) one or more incremental term loan commitments (an "Incremental Term Loan Commitment" and, together with any Revolving Commitment Increases, the "Incremental Commitments") to make incremental term loans (an "Incremental Term Loan"); provided that (A) the total aggregate principal amount for all such Incremental Commitments and Incremental Term Loans made after the Second Amendment Effective Date shall not exceed an amount equal to (1) $150,000,000 plus (2) such amount as would not cause the Consolidated Net Leverage Ratio to exceed 3.25 to 1.00 (calculated on a Pro Forma Basis based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided after giving effect the incurrence of any then requested Incremental Commitment and the use of proceeds thereof, but without netting the proceeds thereof); and (B) any such request for an Incremental Commitment shall be in a minimum amount of $5,000,000 or, if less, the remaining amount permitted pursuant to the foregoing clause (A).

(b) Lenders. Each notice from the Borrower pursuant to this Section shall set forth the requested amount and proposed terms of the relevant Incremental Commitment. Incremental Commitments may be provided by any existing Lender or by any other Persons (an "Incremental Lender"); provided that the Administrative Agent, the Issuing Lender and/or the Swingline Lender, as applicable, shall have consented (not to be unreasonably withheld, conditioned or delayed) to such Incremental Lender's providing such Incremental Commitment to the extent any such consent would be required under Section 12.9(b) for an assignment of Loans or Revolving Credit Commitments, as applicable, to such Incremental Lender. At the time of sending such notice, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Incremental Lender is requested to respond, which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the proposed Incremental Lenders. Each proposed Incremental Lender may
elect or decline, in its sole discretion, and shall notify the Administrative Agent within such time period whether it agrees, to provide an Incremental Commitment and, if so, whether by an amount equal to, greater than or less than requested. Any Person not responding within such time period shall be deemed to have declined to provide an Incremental Commitment.

(c) Effective Date and Allocations. The Administrative Agent and the Borrower shall determine the effective date (each, an "Increase Effective Date") for each Incremental Commitment and the final allocation of such Incremental Commitment. The Administrative Agent shall promptly notify the Borrower and the Lenders of the final allocations of such Incremental Commitment and the Increase Effective Date.

(d) Conditions to Effectiveness of Increase. Each Incremental Commitment shall become effective as of the applicable Increase Effective Date; provided:

(i) no Default or Event of Default shall exist on such Increase Effective Date immediately prior to or after giving effect to (A) such Incremental Commitment or (B) the making of any Extensions of Credit pursuant thereto;

(ii) the Borrower is in pro-forma compliance on a Pro Forma Basis with the financial covenants set forth in Section 9.13 based on the financial statements most recently delivered pursuant to Section 8.1 after giving effect to such Incremental Commitment (assuming that the entire applicable Incremental Term Loan and/or Revolving Commitment Increase is fully funded on the effective date thereof and giving effect to any permanent repayment of Indebtedness in connection therewith but without netting the proceeds thereof);

(iii) each such Incremental Commitment shall be effected pursuant to an amendment (an "Incremental Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, the Administrative Agent and the applicable Incremental Lenders, which Incremental 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 the Administrative Agent, to effect the provisions of this Section 2.7;

(iv) in the case of each Incremental Term Loan (the terms of which shall be set forth in the relevant Incremental Amendment):

(A) such Incremental Term Loan will mature and amortize in a manner reasonably acceptable to the Incremental Lenders making such Incremental Term Loan and the Borrower, but will not in any event have a maturity date earlier than the Latest Maturity Date;

(B) the Applicable Margin and pricing grid, if applicable, for such Incremental Term Loan shall be determined by the applicable Incremental Lenders and the Borrower on the applicable Increase Effective Date and shall be consistent with then current market conditions; and

(C) except as provided above, all other terms and conditions applicable to any Incremental Term Loan, to the extent not consistent with the terms and conditions of this Agreement prior to giving effect thereto, shall be reasonably satisfactory to the Administrative Agent and the Borrower (but in no event shall such terms and conditions...
be more restrictive, taken as a whole, than those set forth in this Agreement and any other Loan Document);

(v) in the case of each Revolving Commitment Increase (the terms of which shall be set forth in the relevant Incremental Amendment):

(A) Revolving Credit Loans made with respect to the Revolving Commitment Increase shall mature on the Revolving Credit Maturity Date and shall be subject to the same terms and conditions as the other Revolving Credit Loans;

(B) the outstanding Revolving Credit Loans and Revolving Credit Commitment Percentages of Swingline Loans and L/C Obligations will be reallocated by the Administrative Agent on the applicable Increase Effective Date among the Revolving Credit Lenders (including the Incremental Lenders providing such Revolving Commitment Increase) in accordance with their revised Revolving Credit Commitment Percentages (and the Revolving Credit Lenders (including the Incremental Lenders providing such Revolving Commitment Increase) agree to make all payments and adjustments necessary to effect such reallocation and the Borrower shall pay any and all costs required pursuant to Section 5.9 in connection with such reallocation as if such reallocation were a repayment); and

(C) except as provided above, all of the other terms and conditions applicable to such Revolving Commitment Increase shall, except to the extent otherwise provided in this Section 2.7, be identical to the terms and conditions applicable to the Revolving Credit Facility;

(vi) each Incremental Commitment shall constitute Obligations of the Borrower and shall be secured and guaranteed with the other Extensions of Credit on a pari passu basis; and

(vii) any Incremental Lender with a Revolving Commitment Increase shall be entitled to the same voting rights as the existing Revolving Credit Lenders under the Revolving Credit Facility and any Extensions of Credit made in connection with each Revolving Commitment Increase shall receive proceeds of prepayments on the same basis as the other Revolving Credit Loans made hereunder.

(c) Conflicting Provisions. This Section shall supersede any provisions in Sections 5.6 or 12.2 to the contrary.

ARTICLE III

LETTER OF CREDIT FACILITY

SECTION 3.1 L/C Facility.

(a) Availability. Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the Revolving Credit Lenders set forth in Section 3.4(a), agrees to issue standby Letters of Credit in an aggregate amount not to exceed its L/C Commitment for the account of the Borrower or, subject to Section 3.8, any Subsidiary thereof, Letters of Credit may be issued on any Business Day from the Closing Date to but not including the fifth (5th) Business Day prior to the Revolving Credit Maturity Date in such form as may be approved from time to time by the Issuing Lender; provided, that the Issuing Lender shall not issue any Letter of Credit if, after giving effect to such
issuance, (a) the L/C Obligations would exceed the L/C Commitment or (b) the Revolving Credit Outstandings would exceed the Revolving Credit Commitment. Each Letter of Credit shall (i) be denominated in Dollars in a minimum amount of $500,000 (or such lesser amount as agreed to by the Issuing Lender and the Administrative Agent), (ii) expire on a date no more than twelve (12) months after the date of issuance or last renewal of such Letter of Credit (subject to automatic renewal for additional one (1) year periods pursuant to the terms of the Letter of Credit Application or other documentation acceptable to the Issuing Lender), which date shall be no later than the fifth (5th) Business Day prior to the Revolving Credit Maturity Date and (iii) be subject to the ISP98, as set forth in the Letter of Credit Application or as determined by the Issuing Lender and, to the extent not inconsistent therewith, the laws of the State of New York. The Issuing Lender shall not at any time be obligated to issue any Letter of Credit hereunder if (A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing such Letter of Credit, or any Applicable Law applicable to the Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Lender with respect to letters of credit generally or such Letter of Credit in particular any restriction or reserve or capital requirement (for which the Issuing Lender is not otherwise compensated) not in effect on the Closing Date, or any unreimbursed loss, cost or expense that was not applicable, in effect or known to the Issuing Lender as of the Closing Date and that the Issuing Lender in good faith deems material to it, or (B) the conditions set forth in Section 6.2 are not satisfied.

References herein to "issue" and derivations thereof with respect to Letters of Credit shall also include extensions or modifications of any outstanding Letters of Credit, unless the context otherwise requires.

(b) Defaulting Lenders. Notwithstanding anything to the contrary contained in this Agreement, Article III shall be subject to the terms and conditions of Section 5.14 and Section 5.15.

SECTION 3.2 Procedure for Issuance of Letters of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender its applicable office (with a copy to the Administrative Agent at the Administrative Agent's Office) a Letter of Credit Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender or the Administrative Agent may request. Upon receipt of any Letter of Credit Application, the Issuing Lender shall process such Letter of Credit Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall, subject to Section 3.1 and Article VI, promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three (3) Business Days after its receipt of the Letter of Credit Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by the Issuing Lender and the Borrower. The Issuing Lender shall promptly furnish to the Borrower and the Administrative Agent a copy of such Letter of Credit and the Administrative Agent shall promptly notify each Revolving Credit Lender of the issuance and upon request by any Lender, furnish to such Revolving Credit Lender a copy of such Letter of Credit and the amount of such Revolving Credit Lender's participation therein.

SECTION 3.3 Commissions and Other Charges.

(a) Letter of Credit Commissions. Subject to Section 5.15(a)(iii)(B), the Borrower shall pay to the Administrative Agent, for the account of the Issuing Lender and the L/C Participants, a letter of credit commission with respect to each Letter of Credit in the amount equal to the daily amount available to be drawn under such standby Letters of Credit times the Applicable Margin with respect to Revolving
Credit Loans that are LIBOR Rate Loans (determined, in each case, on a per annum basis). Such commission shall be payable quarterly in arrears on the last Business Day of each calendar quarter on the Revolving Credit Maturity Date and thereafter on demand of the Administrative Agent. The Administrative Agent shall, promptly following its receipt thereof, distribute to the Issuing Lender and the L/C Participants all commissions received pursuant to this Section 3.3 in accordance with their respective Revolving Credit Commitment Percentages.

(b) Fronting Fee. In addition to the foregoing commission, the Borrower shall pay directly to the Issuing Lender, for its own account, a fronting fee with respect to each Letter of Credit issued by the Issuing Lender as set forth in the Engagement Letter executed by the Issuing Lender. Such fronting fee shall be payable quarterly in arrears on the last Business Day of each calendar quarter commencing with the first such date to occur after the issuance of such Letter of Credit, on the Revolving Credit Maturity Date and thereafter on demand of the Issuing Lender.

(c) Other Fees, Costs, Charges and Expenses. In addition to the foregoing fees and commissions, the Borrower shall pay or reimburse the Issuing Lender for such normal and customary fees, costs, charges and expenses as are incurred or charged by the Issuing Lender in issuing, effecting payment under, amending or otherwise administering any Letter of Credit issued by it.

SECTION 3.4 L/C Participations.

(a) The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant’s own account and risk an undivided interest equal to such L/C Participant’s Revolving Credit Commitment Percentage in the Issuing Lender’s obligations and rights under and in respect of each Letter of Credit issued by it hereunder and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit issued by the Issuing Lender for which the Issuing Lender is not reimbursed in full by the Borrower through a Revolving Credit Loan or otherwise in accordance with the terms of this Agreement, such L/C Participant shall pay to the Issuing Lender upon demand at the Issuing Lender’s address for notices specified herein an amount equal to such L/C Participant’s Revolving Credit Commitment Percentage of the amount of such draft, or any part thereof, which is not so reimbursed.

(b) Upon becoming aware of any amount required to be paid by any L/C Participant to the Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit, issued by it, the Issuing Lender shall notify the Administrative Agent of such unreimbursed amount and the Administrative Agent shall notify each L/C Participant (with a copy to the Issuing Lender) of the amount and due date of such required payment and such L/C Participant shall pay to the Administrative Agent (which, in turn shall pay the Issuing Lender) the amount specified on the applicable due date. If any such amount is paid to the Issuing Lender after the date such payment is due, such L/C Participant shall pay to the Issuing Lender on demand, in addition to such amount, the product of (i) such amount, times (ii) the daily average Federal Funds Rate as determined by the Administrative Agent during the period from and including the date such payment is due to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. A certificate of the Issuing Lender with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error. With respect to payment to the Issuing Lender of the unreimbursed amounts described in this Section, if the L/C Participants receive notice that any such
payment is due (A) prior to 1:00 p.m. on any Business Day, such payment shall be due that Business Day, and (B) after 1:00 p.m. on any Business Day, such payment shall be due on the following Business Day.

(c) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit issued by it and has received from any L/C Participant its Revolving Credit Commitment Percentage of such payment in accordance with this Section, the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise), or any payment of interest on account thereof, the Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

SECTION 3.5 Reimbursement Obligation of the Borrower. In the event of any drawing under any Letter of Credit, the Borrower agrees to reimburse (either with the proceeds of a Revolving Credit Loan as provided for in this Section or with funds from other sources), in same day funds, the Issuing Lender on each date on which the Issuing Lender notifies the Borrower of the date and amount of a draft paid by it under any Letter of Credit for the amount of (a) such draft so paid and (b) any amounts referred to in Section 3.3(c) incurred by the Issuing Lender in connection with such payment. Unless the Borrower shall immediately notify the Issuing Lender that the Borrower intends to reimburse the Issuing Lender for such drawing from other sources or funds, the Borrower shall be deemed to have timely given a Notice of Borrowing to the Administrative Agent requesting that the Revolving Credit Lenders make a Revolving Credit Loan bearing interest at the Base Rate on the applicable repayment date in the amount of (i) such draft so paid and (ii) any amounts referred to in Section 3.3(c) incurred by the Issuing Lender in connection with such payment, and the Revolving Credit Lenders shall make a Revolving Credit Loan bearing interest at the Base Rate in such amount, the proceeds of which shall be applied to reimburse the Issuing Lender for the amount of the related drawing and such fees and expenses. Each Revolving Credit Lender acknowledges and agrees that its obligation to fund a Revolving Credit Loan in accordance with this Section to reimburse the Issuing Lender for any draft paid under a Letter of Credit issued by it is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, non-satisfaction of the conditions set forth in Section 2.3(a) or Article VI. If the Borrower has elected to pay the amount of such drawing with funds from other sources and shall fail to reimburse the Issuing Lender as provided above, the unreimbursed amount of such drawing shall bear interest at the rate which would be payable on any outstanding Base Rate Loans which were then overdue from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until payment in full.

SECTION 3.6 Obligations Absolute. The Borrower's obligations under this Article III (including, without limitation, the Reimbursement Obligation) shall be absolute and unconditional under any and all circumstances and irrespective of any set off, counterclaim or defense to payment which the Borrower may have or have had against the Issuing Lender or any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees that the Issuing Lender and the L/C Participants shall not be responsible for, and the Borrower's Reimbursement Obligation under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit issued by it, except for errors or omissions caused by the Issuing Lender's gross negligence or willful misconduct, as determined by a court of competent jurisdiction by final nonappealable judgment. The Borrower agrees that any action taken or omitted by the Issuing
Lender under or in connection with any Letter of Credit issued by it or the related drafts or documents, if done in the absence of gross negligence or willful misconduct shall be binding on the Borrower and shall not result in any liability of the Issuing Lender or any L/C Participant to the Borrower. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit issued to it shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentation substantially conforms to the requirements under such Letter of Credit.

SECTION 3.7 Effect of Letter of Credit Application. To the extent that any provision of any Letter of Credit Application related to any Letter of Credit is inconsistent with the provisions of this Article III, the provisions of this Article III shall apply.

SECTION 3.8 Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse, or to cause the applicable Subsidiary to reimburse, the Issuing Lender hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any of its Subsidiaries inures to the benefit of the Borrower and that the Borrower’s business derives substantial benefits from the businesses of such Subsidiaries.

ARTICLE IV
TERM LOAN FACILITY

SECTION 4.1 Incremental Term Loan-1 Loans.

(a) Incremental Term Loan-1. Each Term Loan Lender with an Incremental Term Loan-1 Commitment made an Incremental Term Loan-1 to the Borrower on the First Amendment Effective Date in a principal amount equal to such Term Loan Lender’s Incremental Term Loan-1 Commitment as of the First Amendment Effective Date. As of the Third Amendment Effective Date, the outstanding principal amount of the Incremental Term Loan-1 is $122,656,250.00, as set forth on Schedule 1.1.

(b) Delayed Draw Term Loans. Subject to the terms and conditions of the Third Amendment to this Agreement dated as of the Third Amendment Effective Date, 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, each Term Loan Lender with a Delayed Draw Term Loan Commitment severally agrees to make the Incremental Delayed Draw Term Loan-1 to the Borrower in a single draw on the First Amendment Effective Date in a principal amount equal to such Term Loan Lender’s Incremental Delayed Draw Term Loan-1 Commitment as of the Third Amendment Effective Date. Upon funding, the Delayed Draw Term Loan shall be deemed to be part of, and added to, the Incremental Term Loan-1.

SECTION 4.2 Procedure for Advance of Term Loans.

(a) Incremental Term Loan-1. Not later than 48 hours after the Notice of Borrowing, the Borrower shall deliver an irrevocable Notice of Borrowing to the Administrative Agent not later than 12:00 p.m. (i) on the same Business Day for a Base Rate Loan and (ii) at least three (3) Business Days before a LIBOR Rate Loan (or such shorter period of time as may be agreed to by the Borrower and the applicable Term Loan Lenders), of its intention to borrow the Delayed Draw Term Loan, specifying (A) the Delayed Draw Funding Date, which shall be a Business Day, (B) the Delayed Draw Term Loan amount, and (C) the interest rate for such Loan.
A Notice of Borrowing received after 12:00 p.m. shall be deemed received on the next Business Day. The Administrative Agent shall promptly notify the Term Loan Lenders of such Notice of Borrowing. Not later than 2:00 p.m. on the First Amendment Effective Delayed Draw Funding Date, each Term Loan Lender with an Incremental Delayed Draw Term Loan-1 Commitment will make available to the Administrative Agent for the account of the Borrower, at the Administrative Agent’s Office in immediately available funds, the amount of such Incremental Delayed Draw Term Loan-1 to be made by such Term Loan Lender on the First Amendment Effective Date. The Incremental Term Loan-1 will be made as a Base Rate Loan on such date (provided that the Borrower may request, no later than one (1) Business Day prior to the First Amendment Effective Date, that the Term Loan Lenders make the Incremental Term Loan-1 as a LIBOR Rate Loan if the Borrower has delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Term Loan Lenders in the manner set forth in Section 5.9 Delayed Draw Funding Date. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of the Incremental Delayed Draw Term Loan-1 in immediately available funds by wire transfer to the Borrower as directed by the Borrower in writing.

(b) Additional Incremental Term Loans. Any additional Incremental Term Loans shall be borrowed pursuant to, and in accordance with Section 2.7.

SECTION 4.3 Repayment of Term Loans.

(a) Incremental Term Loan-1. The Borrower shall repay the aggregate outstanding principal amount of the Incremental Term Loan-1 (including the Delayed Draw Term Loan) in consecutive quarterly installments on the last Business Day of each March, June, September and December commencing with June 30, 2016 as set forth below (as such installments may be adjusted pursuant to Section 4.4):

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Principal Percentage Installment</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2016</td>
<td>$781,250</td>
</tr>
<tr>
<td>September 30, 2016</td>
<td>$781,250</td>
</tr>
<tr>
<td>December 31, 2016</td>
<td>$781,250</td>
</tr>
<tr>
<td>March 31, 2017</td>
<td>$781,250</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>$1,562,500, 0.625%</td>
</tr>
<tr>
<td>September 30, 2017</td>
<td>$1,562,500, 0.625%</td>
</tr>
<tr>
<td>December 31, 2017</td>
<td>$1,562,500, 0.625%</td>
</tr>
<tr>
<td>March 31, 2018</td>
<td>$1,562,500, 1.250%</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td>$1,562,500, 1.250%</td>
</tr>
<tr>
<td>September 30, 2018</td>
<td>$1,562,500, 1.250%</td>
</tr>
<tr>
<td>December 31, 2018</td>
<td>$3,125,000, 1.250%</td>
</tr>
<tr>
<td>March 31, 2019</td>
<td>$3,125,000, 1.250%</td>
</tr>
<tr>
<td>September 30, 2019</td>
<td>Remaining Outstanding Balance</td>
</tr>
<tr>
<td>December 31, 2019</td>
<td>1.250%</td>
</tr>
<tr>
<td>March 31, 2020</td>
<td>1.250%</td>
</tr>
<tr>
<td>Term Loan Maturity Date</td>
<td>Remaining Outstanding Balance</td>
</tr>
<tr>
<td>------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>June 30, 2020</td>
<td>2.500%</td>
</tr>
<tr>
<td>September 30, 2020</td>
<td>2.500%</td>
</tr>
<tr>
<td>December 31, 2020</td>
<td>2.500%</td>
</tr>
<tr>
<td>March 31, 2021</td>
<td>2.500%</td>
</tr>
<tr>
<td>June 30, 2021</td>
<td>2.500%</td>
</tr>
<tr>
<td>September 30, 2021</td>
<td>2.500%</td>
</tr>
<tr>
<td>December 31, 2021</td>
<td>2.500%</td>
</tr>
</tbody>
</table>

If not sooner paid, the Incremental Term Loan-1 (including the Delayed Draw Term Loan) shall be paid in full, together with accrued interest thereon, on the Term Loan Maturity Date with respect thereto.

(b) **Additional Incremental Term Loans.** The Borrower shall repay the aggregate outstanding principal amount of each additional Incremental Term Loan (if any) as determined pursuant to, and in accordance with, Section 2.7.

**SECTION 4.4 Prepayments of Term Loans.**

(a) **Optional Prepayments.** The Borrower shall have the right at any time and from time to time, without premium or penalty, to prepay the Term Loans, in whole or in part, upon delivery to the Administrative Agent of a Notice of Prepayment not later than 11:00 a.m. (i) on the same Business Day as each Base Rate Loan and (ii) at least three (3) Business Days before each LIBOR Rate Loan, specifying the date and amount of repayment, whether the repayment is of LIBOR Rate Loans or Base Rate Loans or a combination thereof, and if a combination thereof, the amount allocable to each and the specific tranche of Term Loan to be prepaid. Each optional prepayment of the Term Loans hereunder shall be in an aggregate principal amount of at least $5,000,000 or any whole multiple of $1,000,000 in excess thereof and shall be applied to reduce the remaining scheduled principal installments of the applicable Term Loan as directed by the Borrower. Each repayment shall be accompanied by any amount required to be paid pursuant to Section 5.9. A Notice of Prepayment received after 11:00 a.m. shall be deemed received on the next Business Day. The Administrative Agent shall promptly notify the applicable Term Loan Lenders of each such Notice of Prepayment. Notwithstanding the foregoing, any Notice of Prepayment delivered in connection with any refinancing of all of the Credit Facility with the proceeds of such refinancing or of any other incurrence of Indebtedness or the occurrence of some other identifiable event or condition, may be, if expressly so stated to be, contingent upon the consummation of such refinancing or occurrence of such identifiable event or condition and may be revoked by the Borrower in the event such refinancing is not consummated or such condition is not satisfied (provided that the failure of such contingency shall not relieve the Borrower from its obligations in respect thereof under Section 5.9).

(b) **Mandatory Prepayments.**

(i) **Debt Issuances.** The Borrower shall make mandatory principal prepayments of the Term Loans in the manner set forth in clause (iv) below in an amount equal to one hundred percent (100%) of the aggregate Net Cash Proceeds from any Debt Issuance not otherwise permitted pursuant to Section 9.1. Such prepayment shall be made within three (3) Business Days after the date of receipt of the Net Cash Proceeds of any such Debt Issuance.

(ii) **Asset Dispositions and Insurance and Condemnation Events.** The Borrower shall make mandatory principal prepayments of the Term Loans in the manner set forth in clause (iv) below in amounts equal to one hundred percent (100%) of the aggregate Net Cash Proceeds from
(A) any Asset Disposition made under clause (q) of Section 9.5, or (B) any Insurance and Condemnation Event, if the aggregate amount of all such Net Cash Proceeds for such clauses (A) and (B) exceeds $5,000,000 during any Fiscal Year. Such prepayments shall be made within three (3) Business Days after the date of receipt of the Net Cash Proceeds; provided that, so long as no Event of Default has occurred and is continuing, no prepayment shall be required under this Section 4.4(b)(ii) with respect to such portion of such Net Cash Proceeds that the Borrower shall have, on or prior to such date, given written notice to the Administrative Agent of its intent to reinvest in accordance with Section 4.4(b)(iii).

(iii) Reinvestment Option. With respect to any Net Cash Proceeds realized or received with respect to any Asset Disposition or any Insurance and Condemnation Event by any Credit Party of any Subsidiary thereof (in each case, to the extent not excluded pursuant to Section 4.4(b)(ii)), at the option of the Borrower, the Credit Parties may reinvest all or any portion of such Net Cash Proceeds in assets used or useful for the business of the Credit Parties and their Subsidiaries (including Permitted Acquisitions) within twelve (12) months following receipt of such Net Cash Proceeds; provided that if any Net Cash Proceeds are no longer intended to be or cannot be so reinvested at any time after delivery of a notice of reinvestment election, an amount equal to such Net Cash Proceeds shall be applied within three (3) Business Days after the applicable Credit Party reasonably determines that such Net Cash Proceeds are no longer intended to be or cannot be so reinvested to the prepayment of the Term Loans as set forth in this Section 4.4(b). Pending the final application of any such Net Cash Proceeds, the applicable Credit Party may invest (or repay Revolving Credit Loans) an amount equal to such Net Cash Proceeds in any manner that is not prohibited by this Agreement.

(iv) Notice; Manner of Payment. Upon the occurrence of any event triggering the prepayment requirement under clause (i), (ii) or (iii) above, the Borrower shall promptly deliver a Notice of Prepayment to the Administrative Agent and, upon receipt of such notice, the Administrative Agent shall promptly so notify the Term Loan Lenders. Each prepayment of the Term Loans under this Section shall be applied ratably among the then outstanding Term Loans (unless otherwise agreed by the Term Loan Lenders) and such prepayment shall reduce the remaining scheduled principal installments of the applicable Term Loans on a pro rata basis.

(v) Prepayment of LIBOR Rate Loans. Each prepayment shall be accompanied by any amount required to be paid pursuant to Section 5.9; provided that, so long as no Default or Event of Default shall have occurred and be continuing, if any prepayment of LIBOR Rate Loans is required to be made under this Section 4.4(b) prior to the last day of the Interest Period therefor, in lieu of making any payment pursuant to this Section 4.4(b) in respect of any such LIBOR Rate Loan prior to the last day of the Interest Period therefor, the Borrower may, in its sole discretion, deposit an amount sufficient to make any such prepayment otherwise required to be made thereunder together with accrued interest to the last day of such Interest Period into an account held at, and subject to the sole control of, the Administrative Agent until the last day of such Interest Period, at which time the Administrative Agent shall be authorized (without any further action by or notice to or from the Borrower or any other Credit Party) to apply such amount to the prepayment of the outstanding Term Loans in accordance with this Section 4.4(b). Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall also be authorized (without any further action by or notice to or from the Borrower or any other Credit Party) to apply such amount to the prepayment of the outstanding Term Loans in accordance with the relevant provisions of this Section 4.4(b).

(vi) No Reborrowings. Amounts prepaid under any Term Loan pursuant to this Section may not be reborrowed. Notwithstanding the foregoing, any unfunded portion of the
Delayed Draw Term Loan Commitment shall automatically terminate in its entirety on the earlier to occur of the Delayed Draw Funding Deadline and the Delayed Draw Funding Date.

ARTICLE V

GENERAL LOAN PROVISIONS

SECTION 5.1 Interest.

(a) Interest Rate Options. Subject to the provisions of this Section, at the election of the Borrower, (i) Revolving Credit Loans and the Incremental Term Loan-1 shall bear interest at (A) the Base Rate plus the Applicable Margin or (B) the LIBOR Rate plus the Applicable Margin (provided that the LIBOR Rate shall not be available until three (3) Business Days after the Closing Date unless the Borrower has delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Lenders in the manner set forth in Section 5.9 of this Agreement), (ii) any Swingline Loan shall bear interest at the Base Rate plus the Applicable Margin and (iii) any additional Incremental Term Loans shall bear interest at the rate determined pursuant to Section 2.7. The Borrower shall select the rate of interest and Interest Period, if any, applicable to any Loan at the time a Notice of Borrowing is given or at the time a Notice of Conversion/Continuation is given pursuant to Section 5.2.

(b) Default Rate. Subject to Section 10.3, (i) immediately upon the occurrence and during the continuance of an Event of Default under Section 10.1(a), (b), (h) or (i), or (ii) at the election of the Required Lenders, upon the occurrence and during the continuance of any other Event of Default, (A) the Borrower shall no longer have the option to request LIBOR Rate Loans, Swingline Loans or Letters of Credit, (B) all outstanding LIBOR Rate Loans shall bear interest at a rate per annum of two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to LIBOR Rate Loans until the end of the applicable Interest Period and thereafter at a rate equal to two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to Base Rate Loans, (C) all outstanding Base Rate 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 (including the Applicable Margin) then applicable to Base Rate Loans or such other Obligations arising hereunder or under any other Loan Document and (D) all accrued and unpaid interest shall be due and payable on demand of the Administrative Agent. Interest shall continue to accrue on the Obligations after the filing by or against the Borrower of any petition seeking any relief in bankruptcy or under any Debtor Relief Law.

(c) Interest Payment and Computation. Interest on each Base Rate Loan shall be due and payable in arrears on the last Business Day of each calendar quarter commencing with the calendar quarter ending December 31, 2014; and interest on each LIBOR Rate Loan shall be due and payable on the last day of each Interest Period 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 Base Rate Loans when the 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).

(d) 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. 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.

SECTION 5.2 Notice and Manner of Conversion or Continuation of Loans. Provided that no Default or Event of Default has occurred and is then continuing, the Borrower shall have the option to (a) convert at any time all or any portion of any outstanding Base Rate Loans (other than Swingline Loans) in a principal amount equal to $5,000,000 or any whole multiple of $1,000,000 in excess thereof into one or more LIBOR Rate Loans and (b) upon the expiration of any Interest Period, (i) convert all or any part of its outstanding LIBOR Rate Loans in a principal amount equal to $3,000,000 or a whole multiple of $1,000,000 in excess thereof into Base Rate Loans (other than Swingline Loans) or (ii) continue such LIBOR Rate Loans as LIBOR Rate Loans. 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 E (a “Notice of Conversion/Continuation”) not later than 12:00 p.m. (A) on the same Business Day as, in the case of a conversion to a Base Rate Loan, or (B) three (3) Business Days before, in the case of a conversion to, or continuation of, a LIBOR Rate Loan, the day on which a proposed conversion or continuation of such Loan is to be effective specifying (1) the Loans to be converted or continued, and, in the case of any LIBOR Rate Loan to be converted or continued, the last day of the Interest Period therefor, (2) the effective date of such conversion or continuation (which shall be a Business Day), (3) the principal amount of such Loans to be converted or continued, and (4) the Interest Period to be applicable to such converted or continued LIBOR Rate Loan. If the Borrower fails to give a timely Notice of Conversion/Continuation prior to the end of the Interest Period for any LIBOR Rate Loan, then the applicable LIBOR Rate Loan shall be converted to a Base Rate Loan. Any such automatic conversion to a Base Rate Loan shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBOR Rate Loan. If the Borrower requests a conversion to, or continuation of, LIBOR Rate Loans, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swingline Loan may not be converted to a LIBOR Rate Loan. The Administrative Agent shall promptly notify the affected Lenders of such Notice of Conversion/Continuation.

SECTION 5.3 Fees.

(a) Commitment Fee. Commencing on the Closing Date, subject to Section 5.15(a)(iii)(A), the Borrower shall pay to the Administrative Agent, for the account of the Revolving Credit Lenders, a non-refundable commitment fee (the “Commitment Fee”) at a rate per annum equal to the Applicable Margin on the average daily unused portion of the Revolving Credit Commitment of the Revolving Credit Lenders (other than the Defaulting Lenders, if any); provided, that the amount of outstanding Swingline Loans shall not be considered usage of the Revolving Credit Commitment for the purpose of calculating the Commitment Fee. The Commitment Fee shall be payable in arrears on the last Business Day of each calendar quarter during the term of this Agreement commencing with the calendar quarter ending December 31, 2014 and ending on the date upon which all Obligations (other than contingent indemnification obligations not then due) arising under the Revolving Credit Facility shall have been indefeasibly and irrevocably paid and satisfied in full, all Letters of Credit have been terminated or expired (or been Cash Collateralized) and the Revolving Credit Commitment has been terminated. The Commitment Fee shall be distributable by the Administrative Agent to the Revolving Credit Lenders (other
than any Defaulting Lender) pro rata in accordance with such Revolving Credit Lenders’ respective Revolving Credit Commitment Percentages.

(b) **Delayed Draw Ticking Fee.** The Borrower shall pay to the Administrative Agent, for the account of each Term Loan Lender with a Delayed Draw Term Loan Commitment, a non-refundable ticking fee (the "Delayed Draw Ticking Fee") from and including the Third Amendment Effective Date to the earlier to occur of the Delayed Draw Funding Deadline and the Delayed Draw Funding Date (which shall (x) in the case of the Delayed Draw Funding Deadline, include the Delayed Draw Funding Deadline and (y) in the case of the Delayed Draw Funding Date, exclude the Delayed Draw Funding Date), at a rate per annum equal to the Applicable Margin on the Delayed Draw Term Loan Commitment. The Delayed Draw Ticking Fee shall be payable in arrears on the earlier to occur of the Delayed Draw Funding Deadline and the Delayed Draw Funding Date. The Delayed Draw Ticking Fee shall be distributed by the Administrative Agent to each Term Loan Lender pro rata in accordance with such Term Loan Lender’s respective Delayed Draw Term Loan Commitment (as in effect immediately prior to funding the Delayed Draw Term Loan).

(c) **Other Fees.** The Borrower shall pay to the Arranger and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Engagement Letter. The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified.

SECTION 5.4 **Manner of Payment.** Each payment by the Borrower on account of the principal of or interest on the Loans or of any fee, commission or other amounts (including the Reimbursement Obligation) payable to the Lenders under this Agreement shall be made not later than 1:00 p.m. on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent’s Office for the account of the Lenders entitled to such payment in Dollars, 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 Section 10.1, 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. Upon receipt by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each such Lender at its address for notices set forth herein its Commitment Percentage in respect of the relevant Credit Facility (or other applicable share as provided herein) of such payment and shall wire advice of the amount of such credit to each Lender. Each payment to the Administrative Agent on account of the principal of or interest on the Swingline Loans or of any fee, commission or other amounts payable to the Swingline Lender shall be made in like manner, but for the account of the Swingline Lender. Each payment to the Administrative Agent of the Issuing Lender’s fees or L/C Participants’ commissions shall be made in like manner, but for the account of the Issuing Lender or the L/C Participants, as the case may be. Each payment to the Administrative Agent of Administrative Agent’s fees or expenses shall be made for the account of the Administrative Agent and any amount payable to any Lender under Sections 5.9, 5.10, 5.11 or 12.3 shall be paid to the Administrative Agent for the account of the applicable Lender. Subject to the definition of Interest Period, if any payment under this Agreement shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding 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. Notwithstanding the foregoing, if there exists a Defaulting Lender each payment by the Borrower to such Defaulting Lender hereunder shall be applied in accordance with Section 5.15(a)(ii).
SECTION 5.5 Evidence of Indebtedness

(a) Extensions of Credit. The Extensions of Credit made by each Lender and the Issuing Lender shall be evidenced by one or more accounts or records maintained by such Lender or the Issuing Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender or the Issuing Lender shall be conclusive absent manifest error of the amount of the Extensions of Credit made by the Lenders or the Issuing Lender to the Borrower and its Subsidiaries 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 or the Issuing 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. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Revolving Credit Note, Incremental Term Loan Note and/or Swingline Note, as applicable, which shall evidence such Lender’s Revolving Credit Loans, Term Loans and/or Swingline Loans, as applicable, in addition to such accounts or records. Each Lender may attach schedules to its Notes and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

(b) Participations. In addition to the accounts and records referred to in subsection (a), each Revolving Credit Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Revolving Credit Lender of participations in Letters of Credit and 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 Revolving Credit Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

SECTION 5.6 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender’s receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations (other than pursuant to Sections 5.9, 5.10, 5.11 or 12.3) greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other obligations owing them provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and

(ii) the 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 (including the application of funds arising from the existence of a Defaulting Lender), (B) the application of Cash Collateral provided for in Section 5.14 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 and Letters of Credit to any assignee or participant, other than to the Borrower or any of its Subsidiaries or Affiliates (as to which the provisions of this paragraph shall apply).
Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Credit Party in the amount of such participation.

SECTION 5.7 Administrative Agent’s Clawback.

(a) **Funding by Lenders; Presumption by Administrative Agent.** Unless the Administrative Agent shall have received notice from a Lender (i) in the case of Base Rate Loans, not later than 1:00 p.m. on the date of any proposed borrowing and (ii) otherwise, prior to the proposed date of any borrowing that such Lender will not make available to the Administrative Agent such Lender’s share of such borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Sections 2.3(b) and 4.2 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the daily average Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period.

(b) **Payments by the Borrower; Presumptions by Administrative Agent.** Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders, the Issuing Lender or the Swingline Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders, the Issuing Lender or the Swingline Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders, the Issuing Lender or the Swingline Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, Issuing Lender or Swingline Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(c) **Nature of Obligations of Lenders Regarding Extensions of Credit.** The obligations of the Lenders under this Agreement to make the Loans and issue or participate in Letters of Credit are several and are not joint or joint and several. The failure of any Lender to make available its Revolving Credit Commitment Percentage of any Loan requested by the Borrower shall not relieve it or any other Lender of its obligation, if any, hereunder to make its Commitment 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 Commitment Percentage of such Loan available on the borrowing date.
SECTION 5.8 Changed Circumstances

(a) Circumstances Affecting LIBOR Rate Availability. In connection with any request for a LIBOR Rate Loan or a conversion to or continuation thereof, if for any reason (i) the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that Dollar deposits are not being offered to banks in the London interbank Eurodollar market for the applicable amount and Interest Period of such Loan, (ii) the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for the ascertaining the LIBOR Rate for such Interest Period with respect to a proposed LIBOR Rate Loan or (iii) the Required Lenders shall determine (which determination shall be conclusive and binding absent manifest error) that the LIBOR Rate does not adequately and fairly reflect the cost to such Lenders of making or maintaining such Loans during such Interest Period, then the Administrative Agent shall promptly 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 LIBOR Rate Loans and the right of the Borrower to convert any Loan to or continue any Loan as a LIBOR Rate Loan shall be suspended, and the Borrower shall either (A) repay in full (or cause to be repaid in full) the then outstanding principal amount of each such LIBOR Rate Loan together with accrued interest thereon (subject to Section 5.1(d)), on the last day of the then current Interest Period applicable to such LIBOR Rate Loan; or (B) convert the then outstanding principal amount of each such LIBOR Rate Loan to a Base Rate Loan as of the last day of such Interest Period.

(b) Laws Affecting LIBOR Rate 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 LIBOR Rate 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 the Lenders to make LIBOR Rate Loans, and the right of the Borrower to convert any Loan to or continue any Loan as a LIBOR Rate Loan shall be suspended and thereafter the Borrower may select only Base Rate Loans and (ii) if any of the Lenders may not lawfully continue to maintain a LIBOR Rate Loan to the end of the then current Interest Period applicable thereto, the applicable Loan shall immediately be converted to a Base Rate Loan for the remainder of such Interest Period.

SECTION 5.9 Indemnity. The Borrower hereby indemnifies each of the Lenders against any loss or expense (including any loss (other than loss of anticipated profit) or expense arising from the liquidation or reemployment of funds obtained by it to maintain a LIBOR Rate Loan or from fees payable to terminate the deposits from which such funds were obtained) 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 LIBOR Rate Loan, (b) due to any failure of the Borrower to borrow, continue or convert on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation or (c) due to any payment, prepayment or conversion of any LIBOR Rate Loan on a date other than the last day of the Interest Period thereof. The amount of such loss (other than loss of anticipated profit) or expense shall be determined, in the applicable Lender’s sole discretion, based upon the assumption that such Lender funded its portion of the LIBOR Rate Loans 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.

SECTION 5.10 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory
loan, insurance charge or similar requirement against assets of, deposits with or for the account
of, or advances, loans or other credit extended or participated in by, any Lender (except any
reserve requirement reflected in the LIBOR Rate) or the Issuing Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes
described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection
Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or
its deposits, reserves, other liabilities or capital attributable thereto;
or

(iii) impose on any Lender or the Issuing Lender or the London interbank market any
other condition, cost or expense (other than Taxes) affecting this Agreement or LIBOR Rate
Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender, the Issuing Lender or
such other Recipient of making, converting to, continuing or maintaining any Loan (or of maintaining its
obligation to make any such Loan), or to increase the cost to such Lender, the Issuing Lender or such
other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its
obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received
or receivable by such Lender, the Issuing Lender or such other Recipient hereunder (whether of principal,
interest or any other amount) then, upon written request of such Lender, the Issuing Lender or other
Recipient, the Borrower shall promptly pay to any such Lender, the Issuing Lender or other Recipient, as
the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Lender
or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the Issuing Lender determines that any Change
in Law affecting such Lender or the Issuing Lender or any lending office of such Lender or such Lender’s
or the Issuing Lender’s holding company, if any, regarding capital or liquidity requirements, has or would
have the effect of reducing the rate of return on such Lender’s or the Issuing Lender’s capital or on the
capital of such Lender’s or the Issuing Lender’s holding company, if any, as a consequence of this
Agreement, the Revolving Credit Commitment of such Lender or the Loans made by, or participations in
Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the Issuing
Lender, to a level below that which such Lender or the Issuing Lender or such Lender’s or the Issuing
Lender’s holding company could have achieved but for such Change in Law (taking into consideration
such Lender’s or the Issuing Lender’s policies and the policies of such Lender’s or the Issuing Lender’s
holding company with respect to capital adequacy), then from time to time upon written request of such
Lender or the Issuing Lender the Borrower shall promptly pay to such Lender or the Issuing Lender, as
the case may be, such additional amount or amounts as will compensate such Lender or the Issuing
Lender or such Lender’s or the Issuing Lender’s holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender, or the Issuing Lender or such
other Recipient setting forth the amount or amounts necessary to compensate such Lender or the Issuing
Lender, such other Recipient or any of their respective holding companies, as the case may be, as
specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Lender or such other Recipient, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of any Lender or the Issuing Lender or such other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender’s or the Issuing Lender’s or such other Recipient’s right to demand such compensation; provided that the Borrower shall not be required to compensate any Lender or the Issuing Lender or any other Recipient pursuant to this Section for any increased costs incurred or reductions suffered more than one hundred eighty (180) days prior to the date that such Lender or the Issuing Lender or such other Recipient, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender’s or the Issuing Lender’s or such other Recipient’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 one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 5.11 **Taxes.**

(a) **Defined Terms.** For purposes of this Section 5.11, the term “Lender” includes the Issuing Lender and the term “Applicable Law” includes FATCA.

(b) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Credit Parties.** The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Credit Parties.** The Credit Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified 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 the Borrower by a Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders.** Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties
(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 5.11, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.11(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing:

(A) Any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from United States federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:
(1) In the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) In the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in United States federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to United States 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. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(b) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 5.11 (including by the payment of additional amounts pursuant to this Section 5.11), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (b) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority in the event that such indemnified party is required to repay such refund to such Governmental Authority). Notwithstanding anything to the contrary in this paragraph (b), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (b) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **Survival.** Each party's obligations under this Section 5.11 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 5.12 Mitigation Obligations; Replacement of Lenders.

(a) **Designation of a Different Lending Office.** If any Lender requests compensation under Section 5.10, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 5.11, then such Lender shall, at the request of the Borrower, 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, in the judgment of such Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 5.10 or Section 5.11, as the case may be, in the future and would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender requests compensation under Section 5.10, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 5.11, and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section...
5.12(a), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.9), all of its interests, rights (other than its existing rights to payments pursuant to Section 5.10 or Section 5.11) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 12.9;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 5.9) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 5.10 or payments required to be made pursuant to Section 5.11, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with Applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 5.13 Cash Collateral. At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent, the Issuing Lender (with a copy to the Administrative Agent) or the Swingline Lender (with a copy to the Administrative Agent), the Borrower shall Cash Collateralize the Fronting Exposure of the Issuing Lender and/or the Swingline Lender, as applicable, with respect to such Defaulting Lender (determined after giving effect to Section 5.15(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(a) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of the Issuing Lender and the Swingline Lender, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lender's obligation to fund participations in respect of L/C Obligations and Swingline Loans, to be applied pursuant to subsection (b) below. If any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent, the Issuing Lender and the Swingline Lender as herein provided (other than, to the extent agreed by the Administrative Agent in its reasonable discretion, Permitted Liens in favor of a depository bank), or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or
provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(b) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 5.14 or Section 5.15 in respect of Letters of Credit and Swingline Loans shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of L/C Obligations and Swingline Loans (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(c) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce the Fronting Exposure of the Issuing Lender and/or the Swingline Lender, as applicable, shall no longer be required to be held as Cash Collateral pursuant to this Section 5.14 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent, the Issuing Lender and the Swingline Lender that there exists excess Cash Collateral; provided that, subject to Section 5.15, the Person providing Cash Collateral, the Issuing Lender and the Swingline Lender may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations; and provided further that to the extent that such Cash Collateral was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

SECTION 5.15 Defaulting Lenders.

(a) Defaulting Lender Adjustments. 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 the definition of Required Lenders and Section 12.2.

(ii) Defaulting Lender Waterfall. 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, pursuant to Article X or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 12.4 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 Issuing Lender or the Swingline Lender hereunder; third, to Cash Collateralize the Fronting Exposure of the Issuing Lender and the Swingline Lender with respect to such Defaulting Lender in accordance with Section 5.14; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan or funded participation 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 deposit account and released pro rata in order to (A) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans and funded participations under this Agreement and (B) Cash Collateralize the Issuing Lender's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit and Swingline Loans issued under this Agreement, in accordance with Section 5.14; sixth, to the payment of any amounts owing to the Lenders, the Issuing Lender or the
Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing 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 (1) such payment is a payment of the principal amount of any Loans or funded participations in Letters of Credit or Swingline Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (2) such Loans were made or the related Letters of Credit or Swingline Loans were issued at a time when the conditions set forth in Section 6.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and funded participations in Letters of Credit or Swingline Loans owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or funded participations in Letters of Credit or Swingline Loans owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swingline Loans are held by the Lenders pro rata in accordance with the Revolving Credit Commitments under the applicable Revolving Credit Facility without giving effect to Section 5.15(a)(iv). 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 shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto. (iii) Certain Fees. (A) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender). (B) Each Defaulting Lender shall be entitled to receive letter of credit commissions pursuant to Section 3.3 for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Revolving Credit Commitment Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 5.14. (C) With respect to any Commitment Fee or letter of credit commission not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (1) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender’s participation in L/C Obligations or Swingline Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (2) pay to the Issuing Lender and Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Lender’s or Swingline Lender’s Fronting Exposure to such Defaulting Lender, and (3) not be required to pay the remaining amount of any such fee. (iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender’s participation in L/C Obligations and Swingline Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Revolving Credit Commitment Percentages (calculated without regard to such Defaulting Lender’s
Revolving Credit Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender’s Revolving Credit Commitment. Subject to Section 12.22, 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.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, repay Swingline Loans in an amount equal to the Swingline Lenders’ Fronting Exposure and (y) second, Cash Collateralize the Issuing Lender’s Fronting Exposure in accordance with the procedures set forth in Section 5.14.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Issuing Lender, and the Swingline Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held pro rata by the Lenders in accordance with the Commitments under the applicable Credit Facility (without giving effect to Section 5.15(a)(iv)), 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 that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender’s having been a Defaulting Lender.

ARTICLE VI
CONDITIONS OF CLOSING AND BORROWING

SECTION 6.1 Conditions to Closing and Initial Extensions of Credit. The obligation of the Lenders to close this Agreement and to make the initial Loans or issue or participate in the initial Letter of Credit, if any, is subject to the satisfaction (or waiver) of each of the following conditions (other than those items set forth on Schedule 8.18 to the Disclosure Letter):

(a) Executed Loan Documents. This Agreement, a Revolving Credit Note in favor of each Revolving Credit Lender requesting a Revolving Credit Note, a Swingline Note in favor of the Swingline Lender (if requested thereby), the Security Documents and the Guaranty Agreement, together with any other applicable Loan Documents, shall have been duly authorized, executed and delivered to the Administrative Agent by the parties thereto, shall be in full force and effect and no Default or Event of Default shall exist hereunder or thereunder.

(b) Closing Certificates, Etc. The Administrative Agent shall have received each of the following in form and substance reasonably satisfactory to the Administrative Agent:

(i) Officer’s Certificate. A certificate from a Responsible Officer of the Borrower to the effect that (A) all representations and warranties of the Credit Parties contained in this
Agreement and the other Loan Documents are true, correct and complete in all material respects (except to the extent any such representation and warranty is qualified by materiality or reference to Material Adverse Effect, in which case, such representation and warranty shall be true, correct and complete in all respects); (B) none of the Credit Parties is in violation of any of the covenants contained in this Agreement and the other Loan Documents; (C) after giving effect to the Transactions, no Default or Event of Default has occurred and is continuing; (D) since December 31, 2013, no event has occurred or condition arisen, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect; and (E) each of the Credit Parties, as applicable, has satisfied each of the conditions set forth in Section 6.1 and Section 6.2.

(ii) Certificate of Secretary of each Credit Party. A certificate of a Responsible Officer of each Credit Party certifying as to the incumbency and genuineness of the signature of each officer of such Credit Party executing Loan Documents to which it is a party and certifying that attached thereto is a true, correct and complete copy of (A) the articles or certificate of incorporation or formation (or equivalent), as applicable, of such Credit Party and all amendments thereto, certified as of a recent date by the appropriate Governmental Authority in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, (B) the bylaws or other governing document of such Credit Party as in effect on the Closing Date, and (C) resolutions duly adopted by the board of directors (or other governing body) of such Credit Party authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party.

(iii) Certificates of Good Standing. Certificates as of a recent date of the good standing of each Credit Party under the laws of its jurisdiction of incorporation, organization or formation (or equivalent), as applicable.

(iv) Opinions of Counsel. Opinions of counsel to the Credit Parties addressed to the Administrative Agent and the Lenders with respect to the Credit Parties, the Loan Documents and such other matters as the Administrative Agent shall reasonably request.

(c) Personal Property Collateral.

(i) Filings and Recordings. The Administrative Agent shall have received all filings and recordings that are necessary to perfect the security interests of the Administrative Agent, on behalf of the Secured Parties, in the Collateral and the Administrative Agent shall have received evidence reasonably satisfactory to the Administrative Agent that upon such filings and recordings such security interests constitute valid and perfected first priority Liens thereon (subject to Permitted Liens).

(ii) Pledged Collateral. The Administrative Agent shall have received (A) original stock certificates or other certificates evidencing the certificated Equity Interests pledged pursuant to the Security Documents, together with an undated stock power for each such certificate duly executed in blank by the registered owner thereof; and (B) each original promissory note pledged pursuant to the Security Documents together with an undated allonge for each such promissory note duly executed in blank by the holder thereof; provided that no pledge shall be required of more than sixty-five percent (65%) of the total outstanding voting stock of a Foreign Subsidiary or Foreign Subsidiary Holding Company.

(iii) Lien Search. The Administrative Agent shall have received the results of a Lien search (including a search as to bankruptcy, tax and intellectual property matters), in form and
substance reasonably satisfactory thereto, made against the Credit Parties under the Uniform Commercial Code as in effect in each jurisdiction in which filings or recordations under the Uniform Commercial Code should be made to evidence or perfect security interests in all assets of such Credit Party, indicating among other things that the assets of each such Credit Party are free and clear of any Lien (except for certain Permitted Liens).

(iv) Property and Liability Insurance. The Administrative Agent shall have received, in each case in form and substance reasonably satisfactory to the Administrative Agent, evidence of property and liability insurance covering each Credit Party, evidence of payment of all insurance premiums for the current policy year of each policy (with appropriate endorsements naming the Administrative Agent as lender's loss payee on all policies for property hazard insurance and as additional insured on all policies for liability insurance), and if requested by the Administrative Agent, copies of such insurance policies.

(v) Other Collateral Documentation. The Administrative Agent shall have received any documents reasonably requested thereby or as required by the terms of the Security Documents to evidence its security interest in the Collateral (including, without limitation, any landlord waivers or collateral access agreements, control agreements and filings evidencing a security interest in any intellectual property included in the Collateral).

(d) Consents; Defaults.

(i) Governmental and Third Party Approvals. The Credit Parties shall have received all material governmental, shareholder and third party consents and approvals necessary in connection with the transactions contemplated by this Agreement and the other Loan Documents 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 Credit 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.

(ii) No Injunction, Etc. No action, suit, proceeding or investigation shall be pending or, to the knowledge of the Borrower, threatened in writing in any court or before any arbitrator or Governmental Authority that could reasonably be expected to have a Material Adverse Effect.

(e) Financial Matters.

(i) Financial Statements. The Administrative Agent shall have received (A) the audited Consolidated balance sheet of the Borrower and its Subsidiaries as of December 31, 2013 and the related audited statements of income and retained earnings and cash flows for the Fiscal Year then ended and (B) unaudited Consolidated balance sheet of the Borrower and its Subsidiaries as of June 30, 2014 and related unaudited interim statements of income and retained earnings for the fiscal quarter then ended.

(ii) Financial Projections. The Administrative Agent shall have received pro forma Consolidated financial statements for the Borrower and its Subsidiaries, and projections prepared by management of the Borrower, of balance sheets, income statements and cash flow statements on a quarterly basis for the first year following the Closing Date and on an annual basis for each year thereafter during the term of the Credit Facility, which shall not be materially inconsistent with any financial information or projections previously delivered to the Administrative Agent.
(iii) Solvency Certificate. The Borrower shall have delivered to the Administrative Agent a certificate, in form and substance reasonably satisfactory to the Administrative Agent, and certified as accurate by the chief financial officer of the Borrower, that on a pro forma basis after giving effect to the Transactions, the Credit Parties, taken as a whole, are Solvent.

(iv) Payment at Closing. The Borrower shall have paid or made arrangements to pay contemporaneously with closing (A) to the Administrative Agent, the Arranger and the Lenders the fees set forth or referenced in Section 5.3 and any other accrued and unpaid fees or commissions due hereunder, (B) all reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) and (C) to any other Person such amount as may be due thereto in connection with the transactions contemplated hereby, including all taxes, fees and other charges in connection with the execution, delivery, recording, filing and registration of any of the Loan Documents.

(f) Revolving Credit Facility Availability. After giving effect to all Extensions of Credit occurring on the Closing Date, the Borrower shall have Liquidity of not less than $50,000,000.

(g) Miscellaneous.

(i) Notice of Account Designation. The Administrative Agent shall have received a Notice of Account Designation specifying the account or accounts to which the proceeds of any Loans made on or after the Closing Date are to be disbursed.

(ii) Existing Indebtedness. All existing Indebtedness of the Borrower and its Subsidiaries (including Indebtedness under the Existing Credit Agreement but excluding Indebtedness permitted pursuant to Section 9.1) shall be repaid in full, all commitments (if any) in respect thereof shall have been terminated and all guarantees therefor and security therefor shall be released, and the Administrative Agent shall have received pay-off letters in form and substance reasonably satisfactory to it evidencing such repayment, termination and release.

(iii) PATRIOT Act, etc. The Borrower and each of the Subsidiary Guarantors shall have provided to the Administrative Agent and the Lenders at least five Business Days prior to the Closing Date the documentation and other information requested by the Administrative Agent in order to comply with requirements of the PATRIOT Act, applicable “know your customer” and anti-money laundering rules and regulations.

(iv) Other Documents. All opinions, certificates and other instruments and all proceedings in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in form and substance to the Administrative Agent. The Administrative Agent shall have received copies of all other documents, certificates and instruments reasonably requested thereby, with respect to the transactions contemplated by this Agreement.

Without limiting the generality of the provisions of the last paragraph of Section 11.3, for purposes of determining compliance with the conditions specified in this Section 6.1, the Administrative Agent and 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.
SECTION 6.2 Conditions to All Extensions of Credit. The obligations of the Lenders to make or participate in any Extensions of Credit (including the initial Extension of Credit), and/or the Issuing Lender to issue or extend any Letter of Credit are subject to the satisfaction of the following conditions precedent on the relevant borrowing, issuance or extension date:

(a) Continuation of Representations and Warranties. The representations and warranties contained in this Agreement and the other Loan Documents shall be true and correct in all material respects, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects, on and as of such borrowing, issuance or extension date with the same effect as if made on and as of such date (except for any such representation and warranty that by its terms is made only as of an earlier date, which representation and warranty shall remain true and correct in all material respects as of such earlier date, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects as of such earlier date).

(b) No Existing Default. No Default or Event of Default shall have occurred and be continuing (i) on the borrowing date with respect to such Loan or after giving effect to the Loans to be made on such date or (ii) on the issuance or extension date with respect to such Letter of Credit or after giving effect to the issuance or extension of such Letter of Credit on such date.

(c) Notices. The Administrative Agent shall have received a Notice of Borrowing or Letter of Credit Application, as applicable, from the Borrower in accordance with Section 2.3(a) or Section 3.2, as applicable.

(d) New Swingline Loans/Letters of Credit. So long as any Lender is a Defaulting Lender, (i) the Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swingline Loan and (ii) the Issuing Lender shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

ARTICLE VII REPRESENTATIONS AND WARRANTIES OF THE CREDIT PARTIES

To induce the Administrative Agent and Lenders to enter into this Agreement and to induce the Lenders to make Extensions of Credit, the Credit Parties hereby represent and warrant to the Administrative Agent and the Lenders both before and after giving effect to the transactions contemplated hereunder, which representations and warranties shall be deemed made on the Closing Date and as otherwise set forth in Section 6.2, that:

SECTION 7.1 Organization; Power; Qualification. Each Credit Party and each Subsidiary thereof (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, (b) has the power and authority to own its Properties and to carry on its business as now being and hereafter proposed to be conducted and (c) is duly qualified and authorized to do business in each jurisdiction in which the character of its Properties or the nature of its business requires such qualification and authorization except in jurisdictions where the failure to be so qualified or in good standing could not reasonably be expected to result in a Material Adverse Effect. The jurisdictions in which each Credit Party and each Subsidiary thereof are organized and qualified to do business as of the Closing Date are described on Schedule 7.1 to the Disclosure Letter.
SECTION 7.2 Ownership. Each Subsidiary of each Credit Party as of the Closing Date is listed on Schedule 7.2 to the Disclosure Letter. As of the Closing Date, the capitalization of each Credit Party (other than the Borrower) and its Subsidiaries consists of the number of shares, authorized, issued and outstanding, of such classes and series, with or without par value, described on Schedule 7.2 to the Disclosure Letter. All outstanding shares have been duly authorized and validly issued and are fully paid and nonassessable. As of the Closing Date, no outstanding shares are subject to any preemptive or similar rights, except as described in Schedule 7.2 to the Disclosure Letter. As of the Closing Date, there are no outstanding stock purchase warrants, subscriptions, options, securities, instruments or other rights of any type or nature whatsoever, which are convertible into, exchangeable for or otherwise provide for or require the issuance of Equity Interests of any Credit Party or any Subsidiary thereof, except as described on Schedule 7.2 to the Disclosure Letter.

SECTION 7.3 Authorization; Enforceability. Each Credit Party and each Subsidiary thereof has the right, power and authority and has taken all necessary corporate and other action to authorize the execution, delivery and performance of this Agreement and each of the other Loan Documents to which it is a party in accordance with their respective terms. This Agreement and each of the other Loan Documents have been duly executed and delivered by the duly authorized officers of each Credit Party and each Subsidiary thereof that is a party thereto, and each such document constitutes the legal, valid and binding obligation of each Credit Party and each Subsidiary thereof that is a party thereto, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal Debtor Relief Laws from time to time in effect which affect the enforcement of creditors’ rights in general and the availability of equitable remedies.

SECTION 7.4 Compliance of Agreement, Loan Documents and Borrowing with Laws, Etc. The execution, delivery and performance by each Credit Party and each Subsidiary thereof of the Loan Documents to which each such Person is a party, in accordance with their respective terms, the Extensions of Credit hereunder and the transactions contemplated hereby or thereby do not and will not, by the passage of time, the giving of notice or otherwise, (a) require any Governmental Approval or violate any Applicable Law relating to any Credit Party or any Subsidiary thereof where the failure to obtain such Governmental Approval or such violation could reasonably be expected to have a Material Adverse Effect, (b) conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws or other organizational documents of any Credit Party or any Subsidiary thereof, (c) conflict with, result in a breach of or constitute a default under any Material Contract or any Governmental Approval relating to such Person, which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (d) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by such Person other than Permitted Liens or (e) require any consent or authorization of, filing with, or other act in the name of, an arbitrator or Governmental Authority and no consent of any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement other than (i) consents, authorizations, filings or other acts or consents for which the failure to obtain or make could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (ii) consents or filings under the UCC or with respect to the Collateral to be made, or otherwise delivered to Administrative Agent for filing and/or recordation, as of the Closing Date, (iii) filings with the United States Copyright Office and/or the United States Patent and Trademark Office and (iv) consents and authorizations that have been obtained and are in full force and effect.

SECTION 7.5 Compliance with Law; Governmental Approvals. Each Credit Party and each Subsidiary thereof (a) has all Governmental Approvals required by any Applicable Law for it to conduct its business, each of which is in full force and effect, is final and not subject to review on appeal and is not the subject of any pending or, to its knowledge, threatened (in writing) attack by direct or collateral proceeding, (b) is in compliance with each Governmental Approval applicable to it and in
compliance with all other Applicable Laws relating to it or any of its respective properties and (c) has timely filed all material reports, documents and other materials required to be filed by it under all Applicable Laws with any Governmental Authority and has retained all material records and documents required to be retained by it under Applicable Law except in each case (a), (b) or (c) where the failure to have, comply or file could not reasonably be expected to have a Material Adverse Effect.

SECTION 7.6 Tax Returns and Payments. Each Credit Party and each Subsidiary thereof has duly filed or caused to be filed all federal and state income tax returns and all other material tax returns required by Applicable Law to be filed, and has paid, or made adequate provision for the payment of, all federal and state income taxes and all other material taxes, assessments and governmental charges or levies upon it and its property, income, profits and assets which are due and payable (other than any amount the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided for on the books of the relevant Credit Party or Subsidiary). Such returns accurately reflect in all material respects all liability for taxes of any Credit Party or any Subsidiary thereof for the periods covered thereby. As of the Closing Date, except as set forth on Schedule 7.6 to the Disclosure Letter, there is no ongoing audit or examination or, to its knowledge, other investigation by any Governmental Authority of any material tax liability of any Credit Party or any Subsidiary thereof. No Governmental Authority has asserted any Lien or other claim against any Credit Party or any Subsidiary thereof with respect to material unpaid taxes which has not been discharged or resolved (other than (a) any amount the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided for on the books of the relevant Credit Party or Subsidiary).

SECTION 7.7 Intellectual Property Matters. Each Credit Party and each Subsidiary thereof owns or possesses rights to use all franchises, licenses, copyrights, copyright applications, patents, patent rights or licenses, patent applications, trademarks, trademark rights, service mark, service mark rights, trade names, trade name rights, copyrights and other rights with respect to the foregoing which are material and reasonably necessary to conduct its business. No event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such rights which are material and reasonably necessary to conduct its business, and to the knowledge of any Credit Party, no Credit Party nor any Subsidiary thereof is liable to any Person for infringement under Applicable Law with respect to any such rights which are material and reasonably necessary to conduct its business as a result of its business operations.

SECTION 7.8 Environmental Matters.

(a) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, the real properties owned, leased or operated by each Credit Party and each Subsidiary thereof now or, to the knowledge of any Credit Party, in the past do not contain, and to their knowledge have not previously contained, any Hazardous Materials in amounts or concentrations which constitute or constituted a violation of applicable Environmental Laws;

(b) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, to its knowledge, each Credit Party and each Subsidiary thereof and such real properties owned, leased or operated by each Credit Party and each Subsidiary thereof and all operations conducted in connection therewith by the Credit Parties or their respective Subsidiaries are in compliance, and have been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about such real properties or such operations which could interfere with the continued operation of such real properties or impair the fair saleable value thereof;
(c) No Credit Party nor any Subsidiary thereof has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters, Hazardous Materials, or compliance with Environmental Laws that could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, nor does any Credit Party or any Subsidiary thereof have knowledge or reason to believe that any such notice will be received or is being threatened in writing;

(d) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, to its knowledge, Hazardous Materials have not been transported or disposed of to or from the real properties owned, leased or operated by any Credit Party or any Subsidiary thereof in violation of, or in a manner or to a location which could give rise to liability under, Environmental Laws, nor have any Hazardous Materials been generated, treated, stored or disposed of at, on or under any of such properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Laws;

(e) No judicial proceedings or governmental or administrative action is pending, or to the knowledge of the Borrower, threatened in writing, under any Environmental Law to which any Credit Party or any Subsidiary thereof is or will be named as a potentially responsible party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any applicable Environmental Law with respect to any Credit Party, any Subsidiary thereof, with respect to any real property owned, leased or operated by any Credit Party or any Subsidiary thereof or operations conducted in connection therewith that could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and

(f) There has been no release, or to its knowledge, threat of release, of Hazardous Materials at or from real properties owned, leased or operated by any Credit Party or any Subsidiary, now or in the past, in violation of or in amounts or in a manner that could give rise to liability under applicable Environmental Laws that could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

SECTION 7.9 Employee Benefit Matters.

(a) Each Credit Party and each ERISA Affiliate is in compliance with all applicable provisions of ERISA, the Code and the regulations published thereunder with respect to all Employee Benefit Plans except for any required amendments for which the remedial amendment period as defined in Section 401(b) of the Code has not yet expired and except where a failure to so comply could not reasonably be expected to have a Material Adverse Effect. No liability has been incurred by any Credit Party or any ERISA Affiliate which remains unsatisfied for any taxes or penalties assessed with respect to any Employee Benefit Plan or any Multiemployer Plan except for a liability that could not reasonably be expected to have a Material Adverse Effect;

(b) As of the Closing Date, no Pension Plan has been terminated, nor has any Pension Plan become subject to funding based benefit restrictions under Section 436 of the Code, nor has any funding waiver from the IRS been received or requested with respect to any Pension Plan, nor has any Credit Party or any ERISA Affiliate failed to make any contributions or to pay any amounts due and owing as required by Sections 412 or 430 of the Code, Section 302 of ERISA or the terms of any Pension Plan on or prior to the due dates of such contributions under Sections 412 or 430 of the Code or Section 302 of ERISA, nor has there been any event requiring any disclosure under Section 4041(e)(3)(C) or 4063(a) of ERISA with respect to any Pension Plan;
(c) Except where the failure of any of the following representations to be correct could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, no Credit Party nor any ERISA Affiliate has: (i) engaged in a nonexempt prohibited transaction described in Section 406 of the ERISA or Section 4975 of the Code, (ii) incurred any liability to the PBGC which remains outstanding other than the payment of premiums and there are no premium payments which are due and unpaid, (iii) failed to make a required contribution or payment to a Multiemployer Plan, or (iv) failed to make a required installment or other required payment under Sections 412 or 430 of the Code;

(d) No Termination Event has occurred or is reasonably expected to occur;

(e) Except where the failure of any of the following representations to be correct could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, no proceeding, claim (other than a benefits claim in the ordinary course of business), lawsuit and/or investigation is existing or, to its knowledge, threatened in writing concerning or involving (i) any employee welfare benefit plan (as defined in Section 3(1) of ERISA) currently maintained or contributed to by any Credit Party or any ERISA Affiliate, (ii) any Pension Plan or (iii) any Multiemployer Plan.

SECTION 7.10 Margin Stock. No Credit Party nor any Subsidiary thereof is engaged principally or as one of its activities in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" (as each such term is defined or used, directly or indirectly, in Regulation U of the Board of Governors of the Federal Reserve System). No part of the proceeds of any of the Loans or Letters of Credit will be used for purchasing or carrying margin stock or for any purpose which violates, or which would be inconsistent with, the provisions of Regulation T, U or X of such Board of Governors.

SECTION 7.11 Government Regulation. No Credit Party nor any Subsidiary thereof is an "investment company" or a company "controlled" by an "investment company" (as each such term is defined or used in the Investment Company Act of 1940) and no Credit Party nor any Subsidiary thereof is, or after giving effect to any Extension of Credit will be, subject to regulation under the Interstate Commerce Act, or any other Applicable Law, in each case which limits its ability to incur or consummate the transactions contemplated hereby.

SECTION 7.12 Material Contracts. As of the Closing Date, no Credit Party nor any Subsidiary thereof (nor, to its knowledge, any other party thereto) is in breach of or in default under any Material Contract in any material respect.

SECTION 7.13 Employee Relations. As of the Closing Date, no Credit Party or any Subsidiary thereof is party to any collective bargaining agreement, nor has any labor union been recognized as the representative of its employees except as set forth on Schedule 7.13 to the Disclosure Letter. The Borrower knows of no pending, threatened in writing or contemplated strikes, work stoppage or other collective labor disputes involving its employees or those of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

SECTION 7.14 Financial Statements. The audited and unaudited financial statements delivered pursuant to Section 6.1(e)(i) are complete and correct in all material respects and fairly present in all material respects on a Consolidated basis the assets, liabilities and financial position of the Borrower and its Subsidiaries at as such dates, and the results of the operations and changes of financial position for the periods then ended (other than customary year-end adjustments for unaudited financial statements and the absence of footnotes from unaudited financial statements). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP. The pro forma projections delivered pursuant to Section 6.1(e)(iii) were prepared in good faith on
the basis of the assumptions stated therein, which assumptions are believed by the Borrower to be reasonable in light of then existing conditions except that such financial projections shall be subject to normal year end closing and audit adjustments and the absence of footnote disclosures (it being recognized by the Lenders that projections are not to be viewed as facts and that the actual results during the period or periods covered by such projections may vary from such projections and such variations could be material).

SECTION 7.15 No Material Adverse Change. Since December 31, 2013, no event has occurred or condition arisen that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

SECTION 7.16 Solvency. The Credit Parties, taken as a whole, are Solvent.

SECTION 7.17 Title to Properties. As of the Closing Date, the real property listed on Schedule 7.17 to the Disclosure Letter constitutes all of the real property that is owned, leased or subleased by any Credit Party or any of its Subsidiaries. Each Credit Party and each Subsidiary thereof has such title to the real property owned or leasehold interests leased by it as is necessary or desirable to the conduct of its business and valid and legal title to all of its personal property and assets, except those which have been disposed of by the Credit Parties and their Subsidiaries subsequent to such date which dispositions have been in the ordinary course of business or as otherwise expressly permitted hereunder and except where the failure to have such title, could not reasonably be expected to have a Material Adverse Effect.

SECTION 7.18 Litigation. Except for matters existing on the Closing Date and set forth on Schedule 7.18 to the Disclosure Letter, there are no actions, suits or proceedings pending nor, to its knowledge, threatened in writing against or in any other way relating adversely to or affecting any Credit Party or any Subsidiary thereof or any of their respective properties in any court or before any arbitrator of any kind or before or by any Governmental Authority that could reasonably be expected to have a Material Adverse Effect.

SECTION 7.19 Anti-Corruption Laws and Sanctions.

(a) None of (i) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (ii) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that has in any capacity in connection with or benefit from the credit facility established hereby, (A) is a Sanctioned Person or currently the subject or target of any Sanctions, (B) has its assets located in a Sanctioned Country, (C) derives revenues from investments in, or transactions with, Sanctioned Persons or (D) has taken any action, directly or indirectly, that would result in a violation by such Persons of any Anti-Corruption Laws. Each of the Borrower and its Subsidiaries, and to the knowledge of Borrower, each director, officer, employee, agent and Affiliate of Borrower and each such Subsidiary, is in compliance with the Anti-Corruption Laws and applicable Sanctions in all material respects.

(b) No proceeds of any Extension of Credit have been used, directly or indirectly, by the Borrower, any of its Subsidiaries or any of its or their respective directors, officers, employees and agents (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, including any payments (directly or indirectly) to a Sanctioned Person or a Sanctioned Country or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.
SECTION 7.20  Disclosure. No financial statement, material report, material certificate or other written material information (other than projected financial information, pro forma financial information, estimated financial information and other projected or estimated information, other forward-looking information and information of a general or economic or industry specific nature) furnished by or on behalf of any Credit Party or any Subsidiary thereof to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), taken together as a whole with Borrower’s filings with the SEC, as of the date furnished, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, pro forma financial information, estimated financial information and other projected or estimated information, such information was prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time (it being recognized by the Lenders that projections are not to be viewed as facts and that the actual results during the period or periods covered by such projections may vary from such projections or estimates and such variations could be material).

SECTION 7.21  Leases. The Borrower and/or its Subsidiaries enjoy peaceful and undisturbed possession under all leases material to their business and to which they are parties or under which they are operating, and, except to the extent being contested in good faith and by appropriate proceedings if adequate reserves are maintained to the extent required by GAAP, all of such material leases are valid and subsisting and no material default by the Borrower or its Subsidiaries, as applicable, exists under any of them.

SECTION 7.22  Credit Parties. Except for any Subsidiary of the Borrower that is an Excluded Subsidiary, or an Immaterial Subsidiary that is not required to become a Credit Party pursuant to Section 8.13, each Domestic Subsidiary of the Borrower is a Credit Party to the extent required by Section 8.13.

SECTION 7.23  Existing Obligations Pertaining to Acquisitions. Set forth on Schedule 7.23 to the Disclosure Letter is a true and complete list of all payment obligations, contingent or otherwise, owing by any Credit Party pursuant to any Acquisition consummated prior to the Closing Date including, without limitation, any Earn-outs, Holdbacks and principal payments in respect of Indebtedness, and such Schedule accurately sets forth the aggregate amount of each such obligation owing as of the Closing Date.

ARTICLE VIII

AFFIRMATIVE COVENANTS

Until all of the Obligations (other than contingent indemnification obligations not then due) have been paid and satisfied in full in cash, all Letters of Credit have been terminated or expired (or been Cash Collateralized) and the Revolving Credit Commitments terminated, each Credit Party will, and will cause each of its Subsidiaries to:

SECTION 8.1  Financial Statements and Budgets. Deliver to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a)  Annual Financial Statements. As soon as available and in any event within one hundred twenty (120) days (or, if earlier, on the date of any required public filing thereof after giving effect to any extension permitted by the SEC) after the end of each Fiscal Year (commencing with the Fiscal Year
ended December 31, 2014), an audited Consolidated balance sheet of the Borrower and its Subsidiaries as of the close of such Fiscal Year and audited Consolidated statements of income, retained earnings and cash flows including the notes thereto, all in reasonable detail setting forth in comparative form the corresponding figures as of the end of and for the preceding Fiscal Year and prepared in accordance with GAAP and, if applicable, containing disclosure of the effect on the financial position or results of operations of any change in the application of accounting principles and practices during the year. Such annual financial statements shall be audited by an independent certified public accounting firm of recognized national standing or otherwise reasonably acceptable to the Administrative Agent, and accompanied by a report and opinion thereon by such certified public accountants prepared in accordance with generally accepted auditing standards that is not subject to any "going concern" or similar qualification or exception or any qualification as to the scope of such audit (other than a qualification related solely to the maturity of the Loans in the 15-month period following such report).

Quarterly Financial Statements. As soon as available and in any event within forty-five (45) days (or, if earlier, on the date of any required public filing thereof after giving effect to any extension permitted by the SEC) after the end of the first three fiscal quarters of each Fiscal Year (commencing with the fiscal quarter ended September 30, 2014), an unaudited Consolidated balance sheet of the Borrower and its Subsidiaries as of the close of such fiscal quarter and unaudited Consolidated statements of income, retained earnings and cash flows, including the notes thereto, all in reasonable detail setting forth in comparative form the corresponding figures as of the end of and for the corresponding period in the preceding Fiscal Year and prepared by the Borrower in accordance with GAAP and, if applicable, containing disclosure of the effect on the financial position or results of operations of any change in the application of accounting principles and practices during the period, and certified by the chief financial officer of the Borrower to present fairly in all material respects the financial condition of the Borrower and its Subsidiaries on a Consolidated basis as of their respective dates and the results of operations of the Borrower and its Subsidiaries for the respective periods then ended, subject to normal year-end adjustments and the absence of footnotes.

Annual Business Plan and Budget. As soon as practicable and in any event within ninety (90) days after the end of each Fiscal Year (commencing with the Fiscal Year ended December 31, 2014), a business plan and operating and capital budget, in form and detail consistent with such business plan and operating capital budget most recently delivered to the Administrative Agent prior to the Closing Date, of the Borrower and its Subsidiaries for the immediately following Fiscal Year, such plan to be prepared in accordance with GAAP and to include, on a quarterly basis, the following: a quarterly operating and capital budget, a projected income statement, statement of cash flows and balance sheet, and a reasonable disclosure of the key assumptions and drivers with respect to such budget, accompanied by a certificate from a Responsible Officer of the Borrower to the effect that such budget contains good faith estimates (utilizing assumptions believed to be reasonable at the time of delivery of such budget) of the financial condition and operations of the Borrower and its Subsidiaries for such period.

Certificates; Other Reports. Deliver to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) at each time financial statements are delivered pursuant to Sections 8.1(a) or (b) and at such other times as the Administrative Agent shall reasonably request, a duly completed Officer’s Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower;

(b) at each time financial statements are delivered pursuant to Sections 8.1(a) or (b) and at such other times as the Administrative Agent shall reasonably request, a duly completed IP Reporting Certificate signed by a Responsible Officer of the Borrower;
(c) promptly after the same are filed, copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Exchange Act, or with any national securities exchange, and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) promptly upon the request thereof, such other information and documentation required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations (including, without limitation, the PATRIOT Act), as from time to time reasonably requested by the Administrative Agent or any Lender (through the Administrative Agent); and

(e) such other information regarding the operations, business affairs and financial condition of any Credit Party or any Subsidiary thereof as the Administrative Agent or any Lender may reasonably request.

Documents required to be delivered pursuant to Sections 8.1(a), (b) or (c) or Section 8.2(c) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower’s website on the Internet at the website address www.realpage.com; or (ii) on which such documents are posted on the Borrower’s behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that the Borrower shall notify the Administrative Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents. The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arranger will make available to the Lenders and the Issuing Lender materials and/or information provided by or on behalf of the Borrower hereunder (collectively, “Borrower Materials”) by posting the Borrower Materials on Debt Domain, IntraLinks, SyndTrak Online 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 it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, means that the word “PUBLIC” shall appear prominently on the first page thereof; (x) by marking Borrower Materials “PUBLIC,” the Borrower shall be deemed to have authorized the Administrative Agent, the Arranger, the Issuing Lender 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 Information, they shall be treated as set forth in Section 12.10); (y) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Investor;” and (z) the Administrative Agent and the Arranger 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, the Borrower shall be under no obligation to mark any Borrower Materials “PUBLIC”.

SECTION 8.3 Notice of Litigation and Other Matters. Promptly (but in no event later than ten (10) days after any Responsible Officer of any Credit Party obtains knowledge thereof) notify the
Administrative Agent in writing of (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) the occurrence of any Default or Event of Default; and

(b) the commencement of all proceedings and investigations by or before any Governmental Authority and all actions and proceedings in any court or before any arbitrator against or involving any Credit Party or any Subsidiary thereof or any of their respective properties, assets or businesses in each case that could reasonably be expected to result in a Material Adverse Effect.

Each notice pursuant to Section 8.3 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 8.3(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

SECTION 8.4 Preservation of Corporate Existence and Related Matters. Except as permitted by Section 9.4, preserve and maintain its separate corporate (or equivalent form) existence and all rights, franchises, licenses and privileges necessary to the conduct of its business if the failure to maintain such rights, franchises, licenses or privileges would reasonably be expected to result in a Material Adverse Effect, and qualify and remain qualified as a foreign corporation or other entity and authorized to do business in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Effect.

SECTION 8.5 Maintenance of Property. In addition to the requirements of any of the Security Documents, protect and preserve all Properties necessary in and material to its business, including copyrights, patents, trade names, service marks and trademarks; maintain in good working order and condition, ordinary wear and tear, casualty and condemnation excepted, all buildings, equipment and other tangible real and personal property; and from time to time make or cause to be made all repairs, renewals and replacements thereof and additions to such Property necessary for the conduct of its business, so that the business carried on in connection therewith may be conducted in a commercially reasonable manner, in each case except as such action or inaction would not reasonably be expected to result in a Material Adverse Effect.

SECTION 8.6 Insurance. Maintain insurance with financially sound and reputable insurance companies against at least such risks and in at least such amounts as are customarily maintained by similar businesses and as may be required by Applicable Law and as are required by any Security Documents (including, without limitation, hazard and business interruption insurance). All such insurance shall, (a) provide that if such policies are cancelled before their respective expiration dates, notice will be delivered in accordance with such policy provisions, (b) in the case of general liability insurance policies, name the Administrative Agent as an additional insured party thereunder as its interests may appear and (c) in the case of each casualty insurance policy, name the Administrative Agent as lender's loss payee as its interests may appear. Deliver to the Administrative Agent upon its request information in reasonable detail as to the insurance then in effect, stating the names of the insurance companies, the amounts and rates of the insurance, the dates of the expiration thereof and the properties and risks covered thereby.

SECTION 8.7 Accounting Methods and Financial Records. Maintain a system of accounting, and keep proper books, records and accounts (which shall be true and complete in all material respects) as may be required or as may be necessary to permit the preparation of financial statements in
accompany with GAAP and in material compliance with the regulations of any Governmental Authority having jurisdiction over it or any of its Properties.

SECTION 8.8 Payment of Taxes. Pay all material taxes, assessments and other governmental charges that may be levied or assessed upon it or any of its Property, except where (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, (ii) the Borrower or such other Credit Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (iii) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation and (iv) the failure to make payment pending such contest could not reasonably be expected to have a Material Adverse Effect.

SECTION 8.9 Compliance with Laws and Approvals. Observe and remain in compliance with all Applicable Laws and maintain in full force and effect all Governmental Approvals, in each case applicable to the conduct of its business except in each case where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 8.10 Environmental Laws. In addition to and without limiting the generality of Section 8.9, and except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, (a) comply with, and take commercially reasonable efforts to ensure such compliance by all tenants and subtenants, if any, with all applicable Environmental Laws and obtain and comply with and maintain, and ensure that all tenants and subtenants, if any, obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, and (b) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws, and promptly comply with all lawful orders and directives of any Governmental Authority regarding Environmental Laws.

SECTION 8.11 Compliance with ERISA. In addition to and without limiting the generality of Section 8.9, (a) except where the failure to so comply could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) comply with applicable provisions of ERISA, the Code and the regulations and published interpretations thereunder with respect to all Employee Benefit Plans, (ii) not take any action or fail to take action the result of which could reasonably be expected to result in a liability to the PBGC or to a Multiemployer Plan, (iii) not participate in any prohibited transaction that could result in any civil penalty under ERISA or tax under the Code and (iv) operate each Employee Benefit Plan in such a manner that will not incur any tax liability under Section 4980B of the Code or any liability to any qualified beneficiary as defined in Section 4980B of the Code and (b) furnish to the Administrative Agent upon the Administrative Agent’s request such additional information about any Employee Benefit Plan as may be reasonably requested by the Administrative Agent.

SECTION 8.12 Visits and Inspections. Permit representatives of the Administrative Agent or any Lender, from time to time upon prior reasonable notice and at such times during normal business hours, all at the expense of the Borrower, to visit and inspect its properties; inspect, audit and make extracts from its books, records and files, including, but not limited to, management letters prepared by independent accountants; and discuss with its principal officers, and its independent accountants, its business, assets, liabilities, financial condition, results of operations and business prospects; provided that (a) such visits and exceptions shall be subject to reasonable data security restrictions imposed by the Borrower that are customary in the Borrower’s industry, (b) upon the occurrence and during the continuance of an Event of Default, the Administrative Agent or any Lender may do any of the foregoing at the expense of the Borrower at any time without advance notice and (c) unless an Event of Default has occurred and is continuing, such visitation, inspection and audit rights may only be exercised once per calendar year.
SECTION 8.13 Additional Subsidiaries

(a) Additional Domestic Subsidiaries. Promptly (and, in any event, within thirty (30) days, as such time period may be extended by the Administrative Agent in its sole discretion) after (i) the creation or Acquisition of any Domestic Subsidiary (other than an Excluded Subsidiary or an Immaterial Subsidiary) or (ii) a Domestic Subsidiary (other than an Excluded Subsidiary) ceases to be an Immaterial Subsidiary, in each case, cause such Person to (A) become a Subsidiary Guarantor by delivering to the Administrative Agent a duly executed supplement to the Guaranty Agreement or such other document as the Administrative Agent shall reasonably request and deem appropriate for such purpose, (B) grant a security interest in all Collateral (subject to the exceptions specified in the Collateral Agreement) owned by such Subsidiary by delivering to the Administrative Agent a duly executed supplement to each applicable Security Document or such other document as the Administrative Agent shall reasonably request and deem appropriate for such purpose and comply with the terms of each applicable Security Document, (C) deliver to the Administrative Agent such opinions, documents and certificates referred to in Section 6.1, as may be reasonably requested by the Administrative Agent, (D) deliver to the Administrative Agent such original certificated Equity Interests or other certificates and stock or other transfer powers evidencing the Equity Interests of such Person, (E) deliver to the Administrative Agent such updated Schedules to the Disclosure Letter and Loan Documents as requested by the Administrative Agent with respect to such Domestic Subsidiary, and (F) deliver to the Administrative Agent such other documents as may be reasonably requested by the Administrative Agent, all in form, content and scope reasonably satisfactory to the Administrative Agent.

(b) Additional Foreign Subsidiaries. Promptly (and, in any event, within forty five (45) days, as such time period may be extended by the Administrative Agent in its sole discretion) after any Person becomes a First Tier Foreign Subsidiary or a Foreign Subsidiary Holding Company (other than an Immaterial Subsidiary or a Subsidiary described in clause (a) or (b) of the definition of “Excluded Subsidiary”), cause (i) the applicable Credit Party to deliver to the Administrative Agent Security Documents pledging sixty-five percent (65%) of the total outstanding voting Equity Interests (and one hundred percent (100%) of the non-voting Equity Interests) of any such new First Tier Foreign Subsidiary or Foreign Subsidiary Holding Company, as applicable, and a consent thereto executed by such new First Tier Foreign Subsidiary or Foreign Subsidiary Holding Company (including, without limitation, if applicable, original certificated Equity Interests or the equivalent thereof pursuant to the Applicable Laws and practices of any relevant foreign jurisdiction), (ii) such Person to deliver to the Administrative Agent such opinions, documents and certificates referred to in Section 6.1, as may be reasonably requested by the Administrative Agent, (iii) such Person to deliver to the Administrative Agent such updated Schedules to the Disclosure Letter and Loan Documents as requested by the Administrative Agent with regard to such Person and (iv) such Person to deliver to the Administrative Agent such other documents as may be reasonably requested by the Administrative Agent, all in form, content and scope reasonably satisfactory to the Administrative Agent.

(c) Merger Subsidiaries. Notwithstanding the foregoing, to the extent any new Subsidiary is created solely for the purpose of consummating a merger transaction pursuant to a Permitted Acquisition, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such merger transaction, such new Subsidiary shall not be required to take the actions set forth in Section 8.13(a) or (b), as applicable, until the consummation of such Permitted Acquisition (at which time, the surviving entity of the respective merger transaction shall be required to so comply with Section 8.13(a) or (b), as applicable, within the time
period specified in Section 8.13(a) or (b), as applicable, following the consummation of such Permitted Acquisition, as such time period may be extended by the Administrative Agent in its sole discretion).

SECTION 8.14 Compliance with Anti-Corruption Laws and Sanctions. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 8.15 Use of Proceeds.

(a) The Borrower shall use the proceeds of the Extensions of Credit (other than the Delayed Draw Term Loan) solely (i) to finance the Transactions, and (ii) for capital and general corporate purposes of the Borrower and its Subsidiaries.

(b) The Borrower shall use the proceeds of the Delayed Draw Term Loan solely to finance Permitted Acquisitions and fees and expenses in connection therewith.

(c) The Borrower will not request any Extension of Credit, and the Borrower shall not use, and shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Extension of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the material violation of any Sanctions applicable to any party hereto.

SECTION 8.16 Disclosure Updates. Promptly (and, in any event, within five (5) Business Days after obtaining knowledge thereof) notify the Administrative Agent if any written information, exhibit, or report (other than projected financial information, pro forma financial information, estimated financial information and other projected or estimated information, other forward-looking information and information of a general or economic or industry specific nature) furnished to the Administrative Agent and/or the Lenders contained, at the time it was furnished, any untrue statement of a material fact or omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made. The foregoing to the contrary notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the effect of amending or modifying this Agreement or any other Loan Document.

SECTION 8.17 Further Assurances. Execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), which the Administrative Agent or the Required Lenders may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Credit Parties. The Borrower also agrees to provide to the Administrative Agent, from time to time upon the reasonable request by the Administrative Agent, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents.
SECTION 8.18 Post-Closing Matters. Execute and deliver the documents and complete the tasks set forth on Schedule 8.18 to the Disclosure Letter, in each case within the time limits specified on such schedule.

ARTICLE IX
NEGATIVE COVENANTS

Until all of the Obligations (other than contingent, indemnification obligations not then due) have been paid and satisfied in full in cash, all Letters of Credit have been terminated or expired (or been Cash Collateralized) and the Revolving Credit Commitments terminated, the Credit Parties will not, and will not permit any of their respective Subsidiaries to,

SECTION 9.1 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness except:

(a) the Obligations;

(b) Indebtedness owing under Hedge Agreements entered into in order to manage existing or anticipated interest rate, exchange rate or commodity price risks and not for speculative purposes;

(c) Indebtedness existing on the Closing Date and listed on Schedule 9.1 to the Disclosure Letter, and any Permitted Refinancing Indebtedness in respect thereof;

(d) Indebtedness incurred in connection with Capital Leases and purchase money Indebtedness in an aggregate amount not to exceed $25,000,000 at any time outstanding and any Permitted Refinancing Indebtedness in respect thereof;

(e) Indebtedness of a Person existing at the time such Person became a Subsidiary or assets were acquired from such Person in connection with an Investment permitted pursuant to Section 9.3, to the extent that (i) such Indebtedness was not incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or the acquisition of such assets, (ii) neither the Borrower nor any Subsidiary thereof (other than such Person or any other Person that such Person merges with or that acquires the assets of such Person) shall have any liability or other obligation with respect to such Indebtedness and (iii) the aggregate outstanding principal amount of such Indebtedness does not exceed $10,000,000 at any time outstanding;

(f) Guarantees with respect to Indebtedness permitted pursuant to this Section (other than Section 9.1(g));

(g) unsecured intercompany Indebtedness:

(i) owed by any Credit Party to another Credit Party;

(ii) owed by any Credit Party to any Non-Guarantor Subsidiary (provided that such Indebtedness shall be subordinated in right of payment to the Obligations on terms and conditions reasonably satisfactory to the Administrative Agent);

(iii) owed by any Non-Guarantor Subsidiary to any other Non-Guarantor Subsidiary;
(iv) owed by any Non-Guarantor Subsidiary to any Credit Party to the extent permitted pursuant to Section 9.3(a)(vi); 

(h) Indebtedness arising as a result of, or pursuant to, Cash Management Agreements (entered into in the ordinary course of business) and other Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or other similar instrument drawn against insufficient funds in the ordinary course of business;

(i) reserved;

(j) obligations in respect of bankers' acceptances, performance bonds, surety bonds, release, appeal and similar bonds, completion guarantees, statutory obligations or with respect to workers' compensation claims, payment obligations in connection with self insurance or similar obligations provided by the Borrower or any of its Subsidiaries in the ordinary course of business, and obligations owed to (including in respect of letters of credit for the benefit of) any Person in connection with workers' compensation, health, disability, or other employee benefit or property, casualty or liability insurance provided by such Person to the Borrower or any of its Subsidiaries pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(k) contingent liabilities, to the extent constituting Indebtedness, in respect of any indemnification obligation, adjustment of purchase price, non-compete, or similar obligation of the Borrower or any of its Subsidiaries incurred in connection with the consummation of one or more Permitted Acquisitions;

(l) Earn-outs and Holdbacks; provided that any such Indebtedness in the form of Earn-outs or Holdbacks shall be unsecured;

(m) Indebtedness composing Investments permitted pursuant to Section 9.3;

(n) contingent liabilities in respect of any indemnification obligation given by a Credit Party or its Subsidiaries to a licensee or customer in the ordinary course of business;

(o) Indebtedness with respect to letters of credit not issued under this Agreement, so long as the aggregate liability in respect of all such letters of credit does not exceed $5,000,000 at any time;

(p) unsecured Guarantees (other than Guarantees of Indebtedness for borrowed money) in the ordinary course of business of the obligations of suppliers, customers, franchisees and licensees of the Borrower and its Subsidiaries;

(q) Indebtedness consisting of insurance premium financing in the ordinary course of business;

(r) unsecured Indebtedness of any Credit Party or any Subsidiary thereof not otherwise permitted pursuant to this Section; provided that (i) the Borrower shall have demonstrated compliance with the financial covenants set forth in Section 9.13, on a Pro Forma Basis (based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided) immediately after giving effect to the incurrence of such Indebtedness, (ii) the final maturity of such Indebtedness shall not be prior to the date that is one-hundred eighty (180) days after the Latest Maturity Date, (iii) such Indebtedness will not have mandatory prepayment or mandatory amortization, redemption, sinking fund or similar prepayments (other than asset sale, casualty, condemnation or extraordinary receipts events, change of control, fundamental change, make-whole fundamental change or
similar event risk provisions providing for mandatory offers to repurchase customary for debt securities, and, for the avoidance of doubt, any Net Share Settlement provisions) prior to the date that is one-hundred eighty (180) days after the Latest Maturity Date at the time of the issuance of such Indebtedness. (iv) such Indebtedness is not guaranteed by any Domestic Subsidiary that is not a Subsidiary Guarantor. (v) to the extent such Indebtedness is subordinated in right of payment to the Obligations, any guaranty thereof by the Credit Parties shall be expressly subordinated to the Secured Obligations on terms materially not less favorable to the Lenders than the subordination terms of such Indebtedness, (vi) the terms of such Indebtedness, taken as a whole, are not materially more restrictive on the Borrower and its Subsidiaries than the terms of the Loan Documents, taken as a whole (as determined in good faith by the Borrower, it being understood that (1) customary repurchase obligations described in the parenthetical to clause (iii) above and (2) customary additional interest provisions for failure to file required reports or additional interest in lieu of customary events of default, in each case shall not be materially more restrictive), and (vii) no Event of Default shall have occurred and be continuing or result from the incurrence of such Indebtedness; and

(s) other Indebtedness in an aggregate principal amount outstanding at any time not to exceed $5,000,000.

SECTION 9.2 Liens. Create, incur, assume or suffer to exist, any Lien on or with respect to any of its Property, whether now owned or hereafter acquired, except:

(a) Liens created pursuant to the Loan Documents (including, without limitation, Liens in favor of the Swingline Lender and/or the Issuing Lender, as applicable, on Cash Collateral granted pursuant to the Loan Documents);

(b) Liens in existence on the Closing Date and described on Schedule 9.2 to the Disclosure Letter, and the replacement, renewal or extension thereof (including Liens incurred, assumed or suffered to exist in connection with any Permitted Refinancing Indebtedness pursuant to Section 9.1(c) (solely to the extent that such Liens were in existence on the Closing Date and described on Schedule 9.2 to the Disclosure Letter)); provided that the scope of any such Lien shall not be increased, or otherwise expanded, to cover any additional property or type of asset, as applicable, beyond that in existence on the Closing Date, except for products and proceeds of the foregoing;

(c) Liens for taxes, assessments and other governmental charges or levies (excluding any Lien imposed pursuant to any of the provisions of ERISA or Environmental Laws) (i) not yet due or as to which the period of grace (not to exceed thirty (30) days), if any, related thereto has not expired or (ii) which are being contested in good faith and by appropriate proceedings if adequate reserves are maintained to the extent required by GAAP;

(d) the claims of materialmen, mechanics, carriers, warehousemen, processors or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business, which (i) are not overdue for a period of more than thirty (30) days, or if more than thirty (30) days overdue, no action has been taken to enforce such Liens and such Liens are being contested in good faith and by appropriate proceedings if adequate reserves are maintained to the extent required by GAAP and (ii) do not, individually or in the aggregate, materially impair the use thereof in the operation of the business of the Borrower or any of its Subsidiaries;

(e) deposits or pledges made in the ordinary course of business in connection with, or to secure payment of, obligations under workers' compensation, unemployment insurance and other types of social security or similar legislation, or to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety bonds (other than bonds related to judgments or
litigation), performance bonds and other obligations of a like nature incurred in the ordinary course of business, in each case, so long as no foreclosure sale or similar proceeding has been commenced with respect to any material portion of the Collateral on account thereof;

(f) encumbrances in the nature of zoning restrictions, easements and rights or restrictions of record on the use of real property, which in the aggregate are not substantial in amount and which do not, in any case, materially detract from the value of such property or materially impair the use thereof in the ordinary conduct of business;

(g) Liens arising from the filing of precautionary UCC financing statements relating solely to personal property leased pursuant to operating leases entered into in the ordinary course of business of the Borrower and its Subsidiaries;

(h) Liens securing Indebtedness permitted under Section 9.1(d); provided that (i) such Liens shall be created substantially simultaneously with the acquisition, repair, improvement or lease, as applicable, of the related Property, (ii) such Liens do not at any time encumber any property other than the Property financed by such Indebtedness, (iii) the amount of Indebtedness secured thereby is not increased and (iv) the principal amount of Indebtedness secured by any such Lien shall at no time exceed one hundred percent (100%) of the original price for the purchase, repair improvement or lease amount (as applicable) of such Property at the time of purchase, repair, improvement or lease (as applicable);

(i) Liens securing judgments for the payment of money not constituting an Event of Default under Section 10.1(l) or securing appeal or other surety bonds relating to such judgments;

(j) (i) Liens on Property (i) of any Subsidiary which are in existence at the time that such Subsidiary is acquired pursuant to a Permitted Acquisition or an Investment permitted pursuant to Section 9.3 and (ii) of the Borrower or any of its Subsidiaries existing at the time such tangible property or tangible assets are purchased or otherwise acquired by the Borrower or such Subsidiary thereof pursuant to a transaction permitted pursuant to this Agreement; provided that, with respect to each of the foregoing clauses (i) and (ii), (A) such Liens are not incurred in connection with, or in anticipation of, such Permitted Acquisition or other Investment, (B) such Liens do not attach to any other Property of the Borrower or any of its Subsidiaries not securing such Indebtedness at the date of such Permitted Acquisition or other Investment and (C) the Indebtedness secured by such Liens is permitted under Section 9.1(e));

(k) (i) Liens of a collecting bank arising in the ordinary course of business under Section 4-210 of the Uniform Commercial Code in effect in the relevant jurisdiction and (ii) Liens of any depositary bank in connection with statutory, common law and contractual rights of set-off and recoupment with respect to any deposit account of the Borrower or any Subsidiary thereof;

(l) (i) contractual or statutory Liens of landlords to the extent relating to the property and assets relating to any lease agreements with such landlord, and (ii) contractual Liens of suppliers (including sellers of goods) or customers granted in the ordinary course of business to the extent limited to the property or assets relating to such contract;

(m) Liens solely on any cash earnest money deposits made by the Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement with respect to a Permitted Acquisition;

(n) any interest or title of a licensor, sublicensor, lessor or sublessor with respect to any assets under any license or lease agreement entered into in the ordinary course of business which do not
(i) interfere in any material respect with the business of the Borrower or its Subsidiaries or materially detract from the value of the relevant assets of the Borrower or its Subsidiaries or (ii) secure any Indebtedness;

(o) leases, licenses, subleases and sublicenses granted to others in the ordinary course of business that do not interfere in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole; and

(p) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(q) Liens on cash collateral to secure the letters of credit permitted under Section 9.1(o);

(r) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods by any of the Borrower or its Subsidiaries in the ordinary course of business;

(s) customary encumbrances or restrictions (including put and call arrangements) with respect to the Equity Interests of any joint venture in favor of the other parties to such joint venture;

(t) Liens on specific items of inventory or other goods and the proceeds thereof securing obligations in respect of documentary letters of credit or bankers' acceptances issued or created for the account of Borrower or any of its Subsidiaries in the ordinary course of business to facilitate the purchase, shipment or storage of such inventory or other goods;

(u) Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under Section 9.1(q); and

(v) Liens not otherwise permitted hereunder on assets (other than intellectual property or Equity Interests in Subsidiaries constituting Collateral) securing Indebtedness or other obligations in the aggregate principal amount not to exceed $5,000,000 at any time outstanding.

SECTION 9.3 Investments. Purchase, own, invest in or otherwise acquire (in one transaction or a series of transactions) any Equity Interests, interests in any partnership or joint venture (including, without limitation, the creation or capitalization of any Subsidiary), evidence of Indebtedness or other obligation or security, substantially all or a portion of the business or assets of any other Person or any other investment or interest whatsoever in any other Person, or make or permit to exist any loans, advances or extensions of credit to, or any investment in cash or by delivery of Property in, any Person (all the foregoing, "Investments") except:

(a) (i) Investments existing on the Closing Date in Subsidiaries existing on the Closing Date;

(ii) Investments existing on the Closing Date (other than Investments in Subsidiaries existing on the Closing Date) and described on Schedule 9.3 to the Disclosure Letter;

(iii) Investments (including the creation and capitalization of new Subsidiaries) made after the Closing Date by any Credit Party in any other Credit Party;

(iv) Investments (including the creation and capitalization of new Subsidiaries) made after the Closing Date by any Non-Guarantor Subsidiary in any other Non-Guarantor Subsidiary;
(v) Investments made after the Closing Date by any Non-Guarantor Subsidiary in any Credit Party; provided that any Indebtedness owing by such Credit Party to such Non-Guarantor Subsidiary shall be subordinated in right of payment to the Obligations on terms and conditions reasonably satisfactory to the Administrative Agent; and

(vi) Investments (including the creation and capitalization of new Subsidiaries) made after the Closing Date by any Credit Party in any Non-Guarantor Subsidiary in an aggregate amount at any time outstanding not to exceed $20,000,000; provided that (A) no Default or Event of Default shall have occurred and be continuing, (B) the Borrower shall have Liquidity of not less than $35,000,000 after giving effect thereto and (C) any Investments in the form of loans or advances made by any Credit Party to any Non-Guarantor Subsidiary pursuant to this clause (vi) shall be evidenced by a demand note in form and substance reasonably satisfactory to the Administrative Agent and shall be pledged and delivered to the Administrative Agent pursuant to the Security Documents);

(b) Investments in cash and Cash Equivalents;

(c) Investments by the Borrower or any of its Subsidiaries consisting of capital expenditures permitted by this Agreement;

(d) deposits made in the ordinary course of business to secure the performance of leases or other obligations as permitted by Section 9.2;

(e) (i) Hedge Agreements permitted pursuant to Section 9.1 and (ii) Permitted Call Spread Agreements;

(f) purchases of assets in the ordinary course of business;

(g) Investments by the Borrower or any Subsidiary thereof in the form of Permitted Acquisitions to the extent that any Person or Property acquired in such Permitted Acquisition becomes a part of the Borrower or a Subsidiary Guarantor or becomes (whether or not such Person is a Wholly-Owned Subsidiary) a Subsidiary Guarantor to the extent required by Section 8.13;

(h) Investments in the form of non-cash loans to employees, officers, and directors of the Borrower or any of its Subsidiaries for the purpose of purchasing Equity Interests in the Borrower so long as the proceeds of such loans are used, in their entirety, to purchase such Equity Interests in the Borrower;

(i) Investments in the form of Restricted Payments permitted pursuant to Section 9.6;

(j) Guarantees permitted pursuant to Section 9.1 and Guarantees of liabilities not constituting Indebtedness to the extent such guarantees or liabilities are not otherwise prohibited by this Agreement;

(k) Investments acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to any Credit Party or any Subsidiary thereof (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims;

(l) Investments received in connection with Assets Dispositions permitted by Section 9.5;

(m) Investments consisting of extensions of trade credit in the ordinary course of business;
(n) loans or advances to officers, directors and employees of the Borrower and its Subsidiaries for reasonable and customary business-related travel, entertainment, relocation and similar ordinary business purposes;

(o) advances of payroll payments to employees in the ordinary course of business;

(p) Investments consisting of deposit and investment accounts holding cash and Cash Equivalents of the Borrower and its Subsidiaries;

(q) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business;

(r) advances made in connection with purchases of goods or services in the ordinary course of business;

(s) Investments consisting of earnest money deposits required in connection with a Permitted Acquisition or consisting of earnest money deposits required in connection with an acquisition of property not otherwise prohibited hereunder;

(t) Investments not otherwise permitted pursuant to this Section in an aggregate amount not to exceed $5,000,000 at any time outstanding; provided that, immediately before and immediately after giving pro forma effect to any such Investments, (i) no Default or Event of Default shall have occurred and be continuing, (ii) the Borrower shall have demonstrated compliance (based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided) with the financial covenants set forth in Section 9.13 and (iii) the Borrower shall have Liquidity of not less than $35,000,000; and

(u) Investments not otherwise permitted pursuant to this Section; provided that, immediately before and immediately after giving pro forma effect to any such Investments, (i) no Default or Event of Default shall have occurred and be continuing, (ii) the Borrower shall be in compliance (based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided) with a Consolidated Net Leverage Ratio of not greater than 3.25 to 1.00 and (iii) the Borrower shall have Liquidity of not less than $35,000,000.

For purposes of determining the amount of any Investment outstanding for purposes of this Section 9.3, such amount shall be deemed to be the amount of such Investment when made, purchased or acquired (without adjustment for subsequent increases or decreases in the value of such investment) less any amount realized in respect of such Investment upon the sale, collection or return of capital (not to exceed the original amount invested).

SECTION 9.4 Fundamental Changes. Merge, consolidate or consummate any similar combination with, or enter into any Asset Disposition of all or substantially all of its assets (whether in a single transaction or a series of transactions) with, any other Person or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) except:

(a) (i) any Subsidiary of the Borrower may be merged, amalgamated or consolidated with or into, or be liquidated into, the Borrower (provided that the Borrower shall be the continuing or surviving entity) or (ii) any Subsidiary of the Borrower may be merged, amalgamated or consolidated with or into, or be liquidated into, any Subsidiary Guarantor (provided that the Subsidiary Guarantor shall be the continuing or surviving entity or simultaneously with such transaction, the continuing or surviving entity
shall become a Subsidiary Guarantor and the Borrower shall comply with Section 8.13 in the time periods specified therein in connection with such transaction);

(b) any Non-Guarantor Subsidiary that is a Foreign Subsidiary may be merged, amalgamated or consolidated with or into, or be liquidated into, any other Non-Guarantor Subsidiary; (ii) any Non-Guarantor Subsidiary that is a Domestic Subsidiary may be merged, amalgamated or consolidated with or into, or be liquidated into, any other Non-Guarantor Subsidiary that is a Domestic Subsidiary;

(c) Asset Dispositions permitted by Section 9.5 (including an Asset Disposition consisting of a disposition of a Subsidiary by means of a merger transaction);

(d) any Subsidiary may dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding up or otherwise) to the Borrower or any Subsidiary Guarantor; provided that, with respect to any such disposition by any Non-Guarantor Subsidiary, the consideration for such disposition shall not exceed the fair value of such assets;

(e) (i) any Non-Guarantor Subsidiary that is a Foreign Subsidiary may dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding up or otherwise) to any other Non-Guarantor Subsidiary and (ii) any Non-Guarantor Subsidiary that is a Domestic Subsidiary may dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding up or otherwise) to any other Non-Guarantor Subsidiary that is a Domestic Subsidiary;

(f) any Subsidiary of the Borrower may merge with or into the Person such Subsidiary was formed to acquire in connection with any acquisition permitted hereunder (including, without limitation, any Permitted Acquisition permitted pursuant to Section 9.3(g)); provided that in the case of any merger involving a Subsidiary that is a Subsidiary Guarantor, (i) a Subsidiary Guarantor shall be the continuing or surviving entity or (ii) simultaneously with such transaction, the continuing or surviving entity shall become a Subsidiary Guarantor and the Borrower shall comply with Section 8.13 in the time periods specified therein in connection with such transaction; and

(g) any Person may merge into the Borrower or any of its Subsidiaries in connection with a Permitted Acquisition permitted pursuant to Section 9.3(g); provided that (i) in the case of a merger involving the Borrower or a Subsidiary Guarantor, the continuing or surviving Person shall be the Borrower or such Subsidiary Guarantor and (ii) the continuing or surviving Person shall be the Borrower or a Subsidiary of the Borrower.

SECTION 9.5 Asset Dispositions. Make any Asset Disposition except:

(a) the sale of obsolete, worn-out or surplus assets no longer used or usable in the business of the Borrower or any of its Subsidiaries or non-core assets acquired in a Permitted Acquisition;

(b) non-exclusive licenses and sublicenses of intellectual property rights in the ordinary course of business not interfering, individually or in the aggregate, in any material respect with the conduct of the business of the Borrower and its Subsidiaries;

(c) leases, subleases, licenses or sublicenses of real or personal property granted by the Borrower or any of its Subsidiaries to others in the ordinary course of business not detracting from the value of such real or personal property or interfering in any material respect with the business of the Borrower or any of its Subsidiaries:
(d) Asset Dispositions in connection with Insurance and Condemnation Events; provided that the requirements of Section 4.4(b) are complied with in connection therewith;

(e) Assets Dispositions in connection with transactions permitted by Section 9.2, Section 9.4 and Section 9.3, in each case to the extent constituting Asset Dispositions;

(f) the sale of inventory in the ordinary course of business;

(g) the transfer of assets to the Borrower or any Subsidiary Guarantor pursuant to any other transaction permitted pursuant to Section 9.4;

(h) the write-off, discount, sale or other disposition of defaulted or past-due receivables and similar obligations in the ordinary course of business and not undertaken as part of an accounts receivable financing transaction;

(i) the disposition of Investments in cash and Cash Equivalents;

(j) the transfer (i) by any Credit Party of its assets to any other Credit Party, (ii) by any Non-Guarantor Subsidiary of its assets to any Credit Party (provided that in connection with any new transfer, such Credit Party shall not pay more than an amount equal to the fair market value of such assets as determined in good faith at the time of such transfer), (iii) by any Non-Guarantor Subsidiary of its assets to any other Non-Guarantor Subsidiary and (iv) by any Credit Party of its assets to any Non-Guarantor Subsidiary subject to the limitation and requirements set forth in Section 9.3(a)(vi) provided that in connection with any new transfer, such Non-Guarantor Subsidiary shall not pay less than an amount equal to the fair market value of such assets as determined in good faith at the time of such transfer);

(k) the lapse of registered intellectual property of the Borrower and its Subsidiaries to the extent not economically desirable in the conduct of their business;

(l) (i) the sale of any Subsidiary’s Equity Interests to the Borrower or any Subsidiary Guarantor and (ii) the issuance of directors’ qualifying shares and nominal shares issued to foreign nationals to the extent required by Applicable Law;

(m) (i) the transfer for fair value of Property (including Equity Interests of Subsidiaries) to another Person in connection with a joint venture arrangement with respect to such transferred Property so long as, after accounting for the value of such transferred Property, the requirements of Section 9.3 are complied with in connection therewith, and (ii) Asset Dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(n) the unwinding of Hedge Agreements permitted hereunder and Permitted Call Spread Agreements pursuant to their terms;

(o) Asset Dispositions in respect of fixed assets (which, for the avoidance of doubt, shall not include any intellectual property) to the extent that (i) such fixed assets are exchanged for credit against the purchase price of similar replacement fixed assets or (ii) the proceeds of such Asset Disposition are promptly applied to the purchase price of such replacement fixed assets;

(p) Asset Dispositions in Sale Leaseback transactions in connection with Indebtedness permitted pursuant to Section 9.1(d); and
(q) Asset Dispositions not otherwise permitted pursuant to this Section; provided that (i) at the time of such Asset Disposition, no Default or Event of Default shall exist or would result from such Asset Disposition, (ii) such Asset Disposition is made for fair market value and the consideration received shall be no less than seventy-five percent (75%) in cash, and (iii) the aggregate fair market value of all property disposed of in reliance on this clause (q) shall not exceed ten percent (10%) of the Consolidated tangible assets of the Borrower and its Subsidiaries, as shown on the most recent balance sheet of the Borrower delivered pursuant to Section 6.1(e)(i) or Section 8.1(a) or (b), as applicable, in any Fiscal Year; provided further that the requirements of Section 4.4(b) are complied with in connection therewith.

SECTION 9.6 Restricted Payments. Declare or pay any dividend on, or make any payment or other distribution on account of, or purchase, redeem, retire or otherwise acquire, or set apart assets for a sinking or other analogous fund for the purchase, redemption, retirement or other acquisition of, any class of Equity Interests of any Credit Party or any Subsidiary thereof, or make any distribution of cash, property or assets to the holders of shares of any Equity Interests of any Credit Party or any Subsidiary thereof (all of the foregoing, the “Restricted Payments”) provided that:

(a) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, the Borrower or any of its Subsidiaries may pay dividends in shares of its own Qualified Equity Interests;

(b) any Subsidiary of the Borrower may pay cash dividends to the Borrower or any Subsidiary Guarantor (and, if applicable, to other holders of its outstanding Qualified Equity Interests on a pro rata basis);

(c) (i) any Non-Guarantor Subsidiary that is a Domestic Subsidiary may make Restricted Payments to any other Non-Guarantor Subsidiary that is a Domestic Subsidiary (and, if applicable, to other holders of its outstanding Equity Interests on a ratable basis) and (ii) any Non-Guarantor Subsidiary that is a Foreign Subsidiary may make Restricted Payments to any other Non-Guarantor Subsidiary (and, if applicable, to other holders of its outstanding Equity Interests on a ratable basis);

(d) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, the Borrower may make Restricted Payments to redeem, retire or otherwise acquire shares of its Equity Interests or options or other equity or phantom equity in respect of its Equity Interests from present or former officers, employees, directors or consultants (or their family members or trusts or other entities for the benefit of any of the foregoing) (i) to the extent that such purchase is made with the net cash proceeds of any offering of equity securities of or capital contributions to the Borrower or (ii) otherwise in an aggregate amount not to exceed $5,000,000 during any Fiscal Year;

(e) the Borrower may make Restricted Payments consisting of the repurchase of fractional shares of its Equity Interests arising out of stock dividends, splits or combinations, or conversions of convertible securities;

(f) to the extent constituting Restricted Payments, the Borrower and its Subsidiaries may enter into and consummate transactions expressly permitted pursuant to any provision of Sections 9.4 and 9.5.

(g) the Borrower may declare and make Restricted Payments not otherwise permitted pursuant to this Section in an aggregate amount, when taken together with payments made under Section 9.9(b)(ix), not to exceed $20,000,000 in any Fiscal Year; provided that, immediately before and immediately after giving pro forma effect to the making of any such Restricted Payment, (i) no Default or Event of Default shall have occurred and be continuing and (ii) the Borrower shall (A) have demonstrated
compliance (based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided) with the financial covenants set forth in Section 9.13 and (B) have Liquidity of not less than $35,000,000; and

(b) the Borrower may declare and make Restricted Payments not otherwise permitted pursuant to this Section provided that, immediately before and immediately after giving pro forma effect to the making of any such Restricted Payment, (i) no Default or Event of Default shall have occurred and be continuing and (ii) the Borrower shall (A) be in compliance (based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided) with a Consolidated Net Leverage Ratio of not greater than 3.25 to 1.00 and (B) have Liquidity of not less than $35,000,000.

SECTION 9.7 Transactions with Affiliates. Directly or indirectly enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate of the Borrower or any of its Subsidiaries, other than:

(a) transactions permitted by Sections 9.1, 9.3, 9.4, 9.5 and 9.6;

(b) transactions existing on the Closing Date and described on Schedule 9.7 to the Disclosure Letter;

(c) transactions among Credit Parties;

(d) other transactions in the ordinary course of business on terms as favorable as would be obtained by it on a comparable arm's-length transaction with an independent, unrelated third party;

(e) employment and severance arrangements (including equity incentive plans and employee benefit plans and arrangements) with their respective officers and employees in the ordinary course of business; and

(f) payment of customary fees and reasonable out of pocket costs to, and indemnities for the benefit of, directors (or their equivalent), officers and employees of the Borrower and its Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of the Borrower and its Subsidiaries.

SECTION 9.8 Accounting Changes; Organizational Documents.

(a) Change its Fiscal Year end or make any material change in its accounting treatment and reporting practices except as permitted by GAAP, in each case, without the consent of the Administrative Agent.

(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 materially adverse to the rights or interests of the Lenders.

SECTION 9.9 Payments and Modifications of Junior Indebtedness.

(a) Amend, modify, waive or supplement (or permit the modification, amendment, waiver or supplement of) any of the terms or provisions of any Junior Indebtedness in any respect which would materially and adversely affect the rights or interests of the Administrative Agent and Lenders hereunder.
Make any payment or prepayment on, or redeem or acquire for value (including, without limitation, (x) by way of depositing with any trustee with respect thereto money or securities before due for the purpose of paying when due and (y) at the maturity thereof) any Junior Indebtedness, except:

(i) with the proceeds of Permitted Refinancing Indebtedness in respect thereof;

(ii) payments in exchange for, or with proceeds of any issuance of, Qualified Equity Interests of the Borrower or any Subsidiary;

(iii) payments (i) as a result of the conversion or exchange of all or any portion of any Junior Indebtedness into Qualified Equity Interests of the Borrower or any Subsidiary or in connection with Net Share Settlement of the conversion of any Junior Indebtedness, and (ii) in connection with events of the type described in the parenthetical to clause (iii) of Section 9.1(r) that does not result from a default thereunder or an event of the type that constitutes an Event of Default (excluding a Change in Control);

(iv) payments of interest and customary fees, expenses and premiums in respect of any Junior Indebtedness permitted pursuant to Section 9.1 (to the extent not prohibited by any subordination provisions set forth therein or in any subordination agreement with respect thereto);

(v) payments not otherwise permitted pursuant to this Section in an aggregate amount, when taken together with Restricted Payments made under Section 9.6(g), not to exceed $20,000,000 in any Fiscal Year; provided that, immediately before and immediately after giving pro forma effect to the making of any such payment, (A) no Default or Event of Default shall have occurred and be continuing and (B) the Borrower shall (1) have demonstrated compliance based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided) with the financial covenants set forth in Section 9.13 and (2) have Liquidity of not less than $35,000,000;

(vi) payments not otherwise permitted pursuant to this Section; provided that, immediately before and immediately after giving pro forma effect to the making of any such payment, (A) no Default or Event of Default shall have occurred and be continuing and (B) the Borrower shall (1) be in compliance (based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided) with a Consolidated Net Leverage Ratio of not greater than 3.25 to 1.00 and (2) have Liquidity of not less than $35,000,000; and

(vii) payments of Earn-outs and Holdbacks; provided that, immediately before and immediately after the making of any such payment, no Default or Event of Default shall have occurred and be continuing.

SECTION 9.10 No Further Negative Pledges; Restrictive Agreements.

(a) Enter into, assume or be subject to any agreement prohibiting or otherwise restricting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired, or requiring the grant of any security for such obligation if security is given for some other obligation, except (i) pursuant to this Agreement and the other Loan Documents, (ii) pursuant to any document or instrument governing Indebtedness incurred pursuant to Section 9.1(d), (i) and (s) (provided that any such restriction contained therein relates only to the asset or assets financed thereby), (iii) restrictions contained in the organizational documents of any Non-Guarantor Subsidiary, (iv) restrictions in connection with any Permitted Lien or any document or instrument governing any Permitted Lien (provided that any such restriction contained therein relates only to the asset or assets subject to such
Permitted Lien), (v) obligations that are binding on a Subsidiary at the time such Subsidiary first becomes a Subsidiary of the Borrower (which obligation is not applicable to any Person, or the properties or assets of any Person, other than such Subsidiary), so long as such obligations are not entered into in contemplation of such Person becoming a Subsidiary, and any extension or renewal thereof so long as such extension or renewal does not expand the scope of such restrictions in any material respect, (vi) customary anti-assignment provisions in contracts restricting the assignment thereof, (vii) restrictions existing on the Closing Date and described on Schedule 9.10 to the Disclosure Letter and any extension or renewal thereof so long as such extension or renewal does not expand the scope of such restrictions in any material respect, (viii) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 9.3, (ix) restrictions imposed by Applicable Law, (x) customary provisions contained in leases, subleases or licenses otherwise permitted hereby so long as such restrictions relate only to the assets subject thereto, (xi) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower and its Subsidiaries, (xii) restrictions on cash or Cash Equivalents or deposits imposed by customers under contracts entered into in the ordinary course of business (or otherwise constituting Liens permitted by Section 9.2 on such cash or Cash Equivalents or deposits), (xiii) customary net worth provisions contained in real property leases or licenses of intellectual property entered into by the Borrower or any of its Subsidiaries, so long as the Borrower has determined in good faith that such net worth provisions could not reasonably be expected to impair the ability of the Credit Parties and their Subsidiaries to meet their ongoing obligations and (xiv) customary restrictions and conditions contained in asset sale agreements, purchase agreements, acquisition agreements (including by way of merger, acquisition or consolidation) entered into by the Borrower or any Subsidiary and permitted by this Agreement, solely to the extent in effect pending consummation of such transaction and so long as such restrictions relate only to the assets subject thereto.
Section 9.2 on such cash or Cash Equivalents or deposits), (M) customary net worth provisions contained in real property leases or licenses of intellectual property entered into by the Borrower or any of its Subsidiaries, so long as the Borrower has determined in good faith that such net worth provisions could not reasonably be expected to impair the ability of the Credit Parties and their Subsidiaries to meet their ongoing obligations and (N) customary restrictions and conditions contained in asset sale agreements, purchase agreements, acquisition agreements (including by way of merger, acquisition or consolidation) entered into by the Borrower or any Subsidiary solely to the extent in effect pending consummation of such transaction and so long as such restrictions relate only to the assets subject thereto.

SECTION 9.11 Nature of Business. Engage in any business other than the business conducted by the Borrower and its Subsidiaries as of the Closing Date and business activities reasonably related, incidental, complimentary or ancillary thereto.

SECTION 9.12 Amendments of Other Documents. Amend, modify, waive or supplement (or permit modification, amendment, waiver or supplement of) any of the terms or provisions of any Material Contract, in any respect which would materially and adversely affect the rights or interests of the Administrative Agent and the Lenders hereunder, in each case, without the prior written consent of the Administrative Agent.

SECTION 9.13 Financial Covenants.

(a) Consolidated Net Leverage Ratio. As of the last day of any fiscal quarter, permit the Consolidated Net Leverage Ratio to be greater than 3.50 to 1.00.

Notwithstanding the foregoing, (i) upon the consummation of any Permitted Acquisition having aggregate consideration (including cash, Cash Equivalents, Equity Interests, Earn-outs, Holdbacks and other deferred payment obligations) in excess of $50,000,000, the Borrower may, at its election (in connection with such Permitted Acquisition and by not less than five (5) Business Days’ written notice to the Administrative Agent prior to delivery of financial statements pursuant to Section 8.1(a) or (b) for the fiscal quarter ended immediately after the consummation of such Permitted Acquisition), increase the required Consolidated Net Leverage Ratio pursuant to this Section to 3.75 to 1.00 solely for each fiscal quarter ending during the twelve (12) month period immediately following such Permitted Acquisition, provided that the Borrower shall be permitted to exercise such increase option under this clause (i) no more than one time during any consecutive twenty-four (24) month period, and (ii) upon the completion of a Qualified Unsecured Debt Issuance, the Borrower may, at its election (in connection with such Qualified Unsecured Debt Issuance and by not less than five (5) Business Days’ written notice to the Administrative Agent prior to delivery of financial statements pursuant to Section 8.1(a) or (b) for the fiscal quarter ended immediately after the consummation of such Qualified Unsecured Debt Issuance), increase the required Consolidated Net Leverage Ratio pursuant to this Section to 4.00 to 1.00 solely during the period for which such Qualified Unsecured Debt Issuance is outstanding; provided that the Borrower shall be permitted to exercise such increase option under this clause (ii) no more than one time during the term of this Agreement.

(b) Consolidated Interest Coverage Ratio. As of the last day of any fiscal quarter, permit the Consolidated Interest Coverage Ratio to be less than 3.00 to 1.00.
ARTICLE X
DEFAULT AND REMEDIES

SECTION 10.1 Events of Default. Each of the following shall constitute an Event of Default:

(a) Default in Payment of Principal of Loans and Reimbursement Obligations. The Borrower shall default in any payment of principal of any Loan or Reimbursement Obligation when and as due (whether at maturity, by reason of acceleration or otherwise).

(b) Other Payment Default. The Borrower shall default in the payment when and as due (whether at maturity, by reason of acceleration or otherwise) of interest on any Loan or Reimbursement Obligation or the payment of any other Obligation, and such default shall continue for a period of three (3) Business Days.

(c) Misrepresentation. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Credit Party or any Subsidiary thereof in this Agreement, in any other Loan Document, or in any document delivered in connection herewith or therewith that is subject to materiality or Material Adverse Effect qualifications, shall be incorrect or misleading in any respect when made or deemed made or any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Credit Party or any Subsidiary thereof in this Agreement, any other Loan Document, or in any document delivered in connection herewith or therewith that is not subject to materiality or Material Adverse Effect qualifications, shall be incorrect or misleading in any material respect when made or deemed made.

(d) Default in Performance of Certain Covenants. Any Credit Party or any Subsidiary thereof shall default in the performance or observance of any covenant or agreement contained in Sections 8.1, 8.2, 8.3, 8.4 (with respect to the existence of any Credit Party), 8.12, 8.13, 8.14 or 8.15 or Article IX.

(e) Default in Performance of Other Covenants and Conditions. Any Credit Party or any Subsidiary thereof shall default in the performance or observance of any term, covenant, condition or agreement contained in this Agreement (other than as specifically provided for in this Section) or any other Loan Document and such default shall continue for a period of thirty (30) days after the earlier of (i) the Administrative Agent’s delivery of written notice thereof to the Borrower and (ii) a Responsible Officer of any Credit Party having obtained knowledge thereof.

(f) Indebtedness Cross-Default. Any Credit Party or any Subsidiary thereof shall (i) default in the payment of any Indebtedness (other than the Loans or any Reimbursement Obligation) the aggregate principal amount (including undrawn committed or available amounts), or with respect to any Hedge Agreement, the Hedge Termination Value, of which is in excess of the Threshold Amount beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created, or (ii) default in the observance or performance of any other agreement or condition relating to any Indebtedness (other than the Loans or any Reimbursement Obligation) the aggregate principal amount (including undrawn committed or available amounts), or with respect to any Hedge Agreement, the Hedge Termination Value, of which is in excess of the Threshold Amount or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice and/or lapse of time, if required, any such Indebtedness to become due prior to its
stated maturity (any applicable grace period having expired) provided that this clause (ii) shall not apply to (x) secured Indebtedness becoming due solely as a result of the voluntary sale or transfer of the assets securing such Indebtedness, if such sale or transfer is permitted hereunder and so long as such Indebtedness is repaid when required under the documentation for such Indebtedness, (y) any events of the type described in the parenthetical to clause (iii) of Section 9.1(c), or any conversion or settlement provisions with respect to any Convertible Debt Securities or the satisfaction of any condition to conversion or required repurchase with respect to any Convertible Debt Securities, in each case not resulting from an event of default thereunder or an event of the type that constitutes an Event of Default (excluding a Change in Control); or (z) any early payment requirement or unwinding or termination with respect to any Permitted Call Spread Agreement.

(g) Change in Control. Any Change in Control shall occur.

(h) Voluntary Bankruptcy Proceeding. Any Credit Party or any Subsidiary (other than any Immaterial Subsidiary or any Excluded Subsidiary) thereof shall (i) commence a voluntary case under any Debtor Relief Laws, (ii) file a petition seeking to take advantage of any Debtor Relief Laws, (iii) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under any Debtor Relief Laws, (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign, (v) admit in writing its inability to pay its debts as they become due, (vi) make a general assignment for the benefit of creditors, or (vii) take any corporate action for the purpose of authorizing any of the foregoing.

(i) Involuntary Bankruptcy Proceeding. A case or other proceeding shall be commenced against any Credit Party or any Subsidiary (other than any Immaterial Subsidiary or any Excluded Subsidiary) thereof in any court of competent jurisdiction seeking (i) relief under any Debtor Relief Laws, or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like for any Credit Party or any Subsidiary thereof or for all or any substantial part of their respective assets, domestic or foreign, and such case or proceeding shall continue without dismissal or stay for a period of sixty (60) consecutive days, or an order granting the relief requested in such case or proceeding (including, but not limited to, an order for relief under such federal bankruptcy laws) shall be entered.

(j) Failure of Agreements. Any provision of this Agreement or any provision of any other Loan Document shall for any reason cease to be valid and binding on any Credit Party or any Subsidiary thereof party thereto or any such Person shall so state in writing, or any Loan Document shall for any reason cease to create a valid and perfected first priority Lien (subject to Permitted Liens) on, or security interest in, any of the Collateral purported to be covered thereby, in each case other than in accordance with the express terms hereof or thereof.

(k) ERISA Events. The occurrence of any of the following events: (i) any Credit Party or any ERISA Affiliate fails to make full payment when due of all amounts which, under the provisions of any Pension Plan or Sections 412 or 430 of the Code, any Credit Party or any ERISA Affiliate is required to pay as contributions thereto and such unpaid amounts are in excess of the Threshold Amount, (ii) a Termination Event or (iii) any Credit Party or any ERISA Affiliate as employers under one or more Multiemployer Plans makes a complete or partial withdrawal from any such Multiemployer Plan and the plan sponsor of such Multiemployer Plans notifies such withdrawing employer that such employer has incurred a withdrawal liability requiring payments in an amount exceeding the Threshold Amount.

(l) Judgment. A judgment or order for the payment of money which causes the aggregate amount of all such judgments or orders (net of any amounts paid or fully covered by independent third party insurance as to which the relevant insurance company does not dispute coverage) to exceed the
Threshold Amount shall be entered against any Credit Party or any Subsidiary thereof by any court and such judgment or order shall continue without having been discharged, vacated or stayed for a period of thirty (30) consecutive days after the entry thereof.

SECTION 10.2 Remedies. Upon the occurrence and during the continuance of an Event of Default, with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower:

(a) Acceleration: Termination of Credit Facility. Terminate the Revolving Credit Commitment and declare the principal of and interest on the Loans and the Reimbursement Obligations at the time outstanding, and all other amounts owed to the Lenders and to the Administrative Agent under this Agreement or any of the other Loan Documents (including, without limitation, all L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented or shall be entitled to present the documents required thereunder) and all other Obligations, to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Credit Party, anything in this Agreement or the other Loan Documents to the contrary notwithstanding, and terminate the Credit Facility and any right of the Borrower to request borrowings or Letters of Credit thereunder; provided, that upon the occurrence of an Event of Default specified in Section 10.1(i) or (j), the Credit Facility shall be automatically terminated and all Obligations shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Credit Party, anything in this Agreement or in any other Loan Document to the contrary notwithstanding.

(b) Letters of Credit. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to the preceding paragraph, the Borrower shall at such time deposit in a Cash Collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such Cash Collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay the other Secured Obligations on a pro rata basis. After all such Letters of Credit shall have expired or been fully drawn upon, the Reimbursement Obligation shall have been satisfied and all other Secured Obligations shall have been paid in full, the balance, if any, in such Cash Collateral account shall be returned to the Borrower.

(c) General Remedies. Exercise on behalf of the Secured Parties all of its other rights and remedies under this Agreement, the other Loan Documents and Applicable Law, in order to satisfy all of the Secured Obligations.

SECTION 10.3 Rights and Remedies Cumulative; Non-Waiver; etc.

(a) 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.

(b) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Credit Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 10.2 for the benefit of all the Lenders and the Issuing Lender; provided that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the Issuing Lender or the Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as the Issuing Lender or Swingline Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 12.4 (subject to the terms of Section 5.6), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Credit Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 10.2 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 5.6, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

SECTION 10.4 Crediting of Payments and Proceeds. In the event that the Obligations have been accelerated pursuant to Section 10.2 or the Administrative Agent or any Lender has exercised any remedy set forth in this Agreement or any other Loan Document, all payments received on account of the Secured Obligations and all net proceeds from the enforcement of the Secured Obligations shall be applied by the Administrative Agent as follows:

First, to payment of that portion of the Secured Obligations constituting fees, indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such, the Issuing Lender in their capacity as such and the Swingline Lender in its capacity as such, ratably among the Administrative Agent, the Issuing Lender and Swingline Lender in proportion to the respective amounts described in this clause First payable to them;

Second, to payment of that portion of the Secured Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Secured Obligations constituting accrued and unpaid interest on the Loans and Reimbursement Obligations, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Loans, Reimbursement Obligations and payment obligations then owing under Secured Hedge Agreements and Secured Cash Management Agreements, ratably among the Lenders, the Issuing Lender, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth payable to them;
Fifth, to the Administrative Agent for the account of the Issuing Lender, to Cash Collateralize any L/C Obligations then outstanding; and

Last, the balance, if any, after all of the Secured Obligations (other than contingent indemnification obligations not then due) have been paid in full, to the Borrower or as otherwise required by Applicable Law.

Notwithstanding the foregoing, Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article XI for itself and its Affiliates as if a “Lender” party hereto.

SECTION 10.5 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Lender and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Lender and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Lender and the Administrative Agent under Sections 3.3, 5.3 and 12.3) allowed in such judicial proceeding; and

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

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the Issuing Lender to make such payments directly to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Lender, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 3.3, 5.3 and 12.3.

SECTION 10.6 Credit Bidding.

(a) The Administrative Agent, on behalf of itself and the Lenders, shall have the right to credit bid and purchase for the benefit of the Administrative Agent and the Lenders all or any portion of Collateral at any sale thereof conducted by the Administrative Agent under the provisions of the UCC, including pursuant to Sections 9-610 or 9-620 of the UCC, at any sale thereof conducted under the provisions of the United States Bankruptcy Code, including Section 363 thereof, or a sale under a plan of reorganization, or at any other sale or foreclosure conducted by the Administrative Agent (whether by judicial action or otherwise) in accordance with Applicable Law.
(b) Each Lender hereby agrees that, except as otherwise provided in any Loan Documents or with the written consent of the Administrative Agent and the Required Lenders, it will not take any enforcement action, accelerate obligations under any Loan Documents, or exercise any right that it might otherwise have under Applicable Law to credit bid at foreclosure sales, UCC sales or other similar dispositions of Collateral.

ARTICLE XI
THE ADMINISTRATIVE AGENT

SECTION 11.1 Appointment and Authority.

(a) Each of the Lenders and the Issuing Lender hereby irrevocably appoints Wells Fargo to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Lender, and neither the Borrower nor any Subsidiary thereof shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) The Administrative Agent shall also act as the “collateral agent” under the Loan Documents, and each of the Lenders (including in its capacity as a potential Hedge Bank or Cash Management Bank) and the Issuing Lender hereby irrevocably appoints and authorizes the Administrative Agent as the agent of such Lender and the Issuing Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Credit Parties to secure any of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto (including, without limitation, to enter into additional Loan Documents or supplements to existing Loan Documents on behalf of the Secured Parties). In this connection, the Administrative Agent, as “collateral agent” and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to this Article XI for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of Articles XI and XII (including Section 12.3, as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as set forth in full herein with respect thereto.

SECTION 11.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.
SECTION 11.3 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that 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 Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries or Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 12.2 and Section 10.2) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Administrative Agent by the Borrower, a Lender or the Issuing Lender.

(b) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article VI or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or (vi) the utilization of the Issuing Lender’s L/C Commitment (it being understood and agreed that the Issuing Lender shall monitor compliance with its own L/C Commitment without any further action by the Administrative Agent).

SECTION 11.4 Reliance by the Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent
or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Lender prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 11.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credit Facility as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 11.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Lender and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower (provided that the consent of the Borrower shall not be required if an Event of Default has occurred and is continuing), to appoint a successor, which 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. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders and the Issuing Lender, appoint a successor Administrative Agent meeting the qualifications set forth above and acceptable to the Borrower (provided that the consent of the Borrower shall not be required if an Event of Default has occurred and is continuing). Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower and such Person, remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (1) the retiring or removed Administrative Agent shall be discharged from its duties and
obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Lender under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the Issuing Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent’s resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 12.3 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

(d) Any resignation by, or removal of, Wells Fargo as Administrative Agent pursuant to this Section shall also constitute its resignation as the Issuing Lender and Swingline Lender. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Lender, if in its sole discretion it elects to, and Swingline Lender, (b) the retiring Issuing Lender and Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor Issuing Lender, if in its sole discretion it elects to, shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangement satisfactory to the retiring Issuing Lender to effectively assume the obligations of the retiring Issuing Lender with respect to such Letters of Credit.

SECTION 11.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the Issuing Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 11.8 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the syndication agents, documentation agents, co-agents, arrangers or bookrunners listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the Issuing Lender hereunder.
SECTION 11.9 Collateral and Guaranty Matters

(a) Each of the Lenders (including in its or any of its Affiliate’s capacities as a potential Hedge Bank or Cash Management Bank) irrevocably authorize the Administrative Agent, at its option and in its discretion:

(i) to release any Lien on any Collateral granted to or held by the Administrative Agent, for the ratable benefit of the Secured Parties, under any Loan Document (A) upon the termination of the Revolving Credit Commitment and payment in full of all Secured Obligations (other than (1) contingent indemnification obligations and (2) obligations and liabilities under Secured Cash Management Agreements or Secured Hedge Agreements as to which arrangements satisfactory to the applicable Cash Management Bank or Hedge Bank shall have been made) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the Issuing Lender shall have been made), (B) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Loan Documents, or (C) if approved, authorized or ratified in writing in accordance with Section 12.2;

(ii) to subordinate any Lien on any Collateral granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien permitted pursuant to Section 9.2; and

(iii) to release any Subsidiary Guarantor from its obligations under any Loan Documents if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent’s authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under the Guaranty Agreement pursuant to this Section 11.9. In each case as specified in this Section 11.9, the Administrative Agent will, at the Borrower’s expense, execute and deliver to the applicable Credit Party such documents as such Credit Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to subordinate its interest in such item, or to release such Subsidiary Guarantor from its obligations under the Guaranty Agreement, in each case in accordance with the terms of the Loan Documents and this Section 11.9. In the case of any such sale, transfer or disposal of any property constituting Collateral in a transaction constituting an Asset Disposition permitted pursuant to Section 9.5, the Liens created by any of the Security Documents on such property shall be automatically released without need for further action by any person.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent’s Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

SECTION 11.10 Secured Hedge Agreements and Secured Cash Management Agreements. No Cash Management Bank or Hedge Bank that obtains the benefits of Section 10.4 or any Collateral by virtue of the provisions hereof or of any Security Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents.
Notwithstanding any other provision of this Article XI to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Secured Cash Management Agreements and Secured Hedge Agreements unless the Administrative Agent has received written notice of such Secured Cash Management Agreements and Secured Hedge Agreements, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

ARTICLE XII

MISCELLANEOUS

SECTION 12.1 Notices.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

If to the Borrower:

RealPage, Inc.
4000 International Parkway
2201 Lakeside Boulevard
Carrollton Richardson, Texas 75007-75082
Attention of: James W. Harrison, Senior Vice President & Deputy General Counsel/Career Officer
Telephone No.: (972) 820-3923-3915
Facsimile No.: (972) 820-3932
E-mail: jim.harrison@realpage.com
With copies to:

Wilson Sonsini Goodrich & Rosati
Attention of: Andrew H. Hirsch
650 Page Mill Road
Palo Alto, CA 94304
Telephone No.: (650) 493-983-2577
Facsimile No.: (650) 493-983-2699
E-mail: ahirsch@wsgr.com

If to Wells Fargo as Administrative Agent:

Wells Fargo Bank, National Association
MAC D1-00-019
1525 West W.T. Harris Blvd.
Charlotte, NC 28262-G0189-160
1100 Abernathy Road, Suite 1600
Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the Issuing Lender pursuant to Article II if such Lender or the Issuing Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or other communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Administrative Agent’s Office. The Administrative Agent hereby designates its office located at the address set forth above, or any subsequent office which shall have been specified for such purpose by written notice to the Borrower and Lenders, as the Administrative Agent’s Office referred to herein, to which payments due are to be made and at which Loans will be disbursed and Letters of Credit requested.

(d) Change of Address, Etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.
Each Credit Party agrees that the Administrative Agent may, but shall not be
obligated to, make the Borrower Materials available to the Issuing Lender and the other Lenders
by posting the Borrower Materials on the Platform.

The Platform is provided “as is” and “as available.” The Agent Parties (as
defined below) do not warrant the accuracy or completeness of the Borrower Materials or the
adequacy of the Platform, and expressly disclaim liability for errors or omissions in the Borrower
Materials. No warranty of any kind, express, implied or statutory, including, without limitation,
any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party
rights or freedom from viruses or other code defects, is made by any Agent Party in connection
with the Borrower Materials or the Platform. In no event shall the Administrative Agent or any
of its Related Parties (collectively, the “Agent Parties”) have any liability to any Credit Party, any
Lender or any other Person or entity for losses, claims, damages, liabilities or expenses of any
kind (whether in tort, contract or otherwise) arising out of any Credit Party’s or the
Administrative Agent’s transmission of communications through the Internet (including, without
limitation, the Platform), except to the extent that such losses, claims, damages, liabilities or
expenses are determined by a court of competent jurisdiction by final and nonappealable
judgment to have resulted from the gross negligence or willful misconduct of such Agent Party;
provided that in no event shall any Agent Party have any liability to any Credit Party, any Lender,
the Issuing Lender or any other Person for indirect, special, incidental, consequential or punitive
damages, losses or expenses (as opposed to actual damages, losses or expenses).

Each Public Lender agrees to cause at least one individual at or
on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar
designation on the content declaration screen of the Platform in order to enable such Public Lender or its
delegate, in accordance with such Public Lender’s compliance procedures and Applicable Law, including
United States Federal and state securities Applicable Laws, to make reference to Borrower Materials that
are not made available through the “Public Side Information” portion of the Platform and that may
contain material non-public information with respect to the Borrower or its securities for purposes of
United States Federal or state securities Applicable Laws.

SECTION 12.2 Amendments, Waivers and Consents. Except as set forth below or as
specifically provided in any Loan Document, any term, covenant, agreement or condition of this
Agreement or any of the other Loan Documents may be amended or waived by the Lenders, and any
consent given by the Lenders, if, but only if, such amendment, waiver or consent is in writing signed by
the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and
delivered to the Administrative Agent and, in the case of an amendment, signed by the Borrower;
provided, that no amendment, waiver or consent shall:

(a) increase the Revolving Credit Commitment of any Lender (or reinstate any Revolving
Credit Commitment terminated pursuant to Section 10.2) or the amount of Loans of any Lender, in any
case, without the written consent of such Lender;

(b) waive, extend or postpone any date fixed by this Agreement or any other Loan Document
for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them)
hereunder or under any other Loan Document without the written consent of each Lender directly and
adversely affected thereby (it being understood that a waiver of a mandatory prepayment under Section
4.4(b) shall only require the consent of the Required Term Loan Lenders);
reduce the principal of, or the rate of interest specified herein on, any Loan or
Reimbursement Obligation, or (subject to clause (iv) of the proviso set forth in the paragraph below) any
fees or other amounts payable hereunder or under any other Loan Document without the written consent
of each Lender directly and adversely affected thereby; provided that only the consent of the Required
Lenders shall be necessary (i) to waive any obligation of the Borrower to pay interest at the rate set forth
in Section 5.1(b) during the continuance of an Event of Default or (ii) to amend any financial covenant
hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the
rate of interest on any Loan or L/C Obligation or to reduce any fee payable hereunder;

(d) change Section 5.6 or Section 10.4 in a manner that would alter the pro rata sharing of
payments or order of application required thereby without the written consent of each Lender directly and
adversely affected thereby;

(e) change Section 4.4(b)(ix) in a manner that would alter the order of application of
amounts prepaid pursuant thereto without the written consent of each Term Loan Lender directly and
adversely affected thereby;

(f) amend, modify or waive Section 6.2 or any other provision of this Agreement if the effect
of such amendment, modification or waiver is to require the Revolving Credit Lenders (pursuant to, in the
case of any such amendment to a provision hereof other than Section 6.2, any substantially concurrent
request by the Borrower for a borrowing of Revolving Credit Loans) to make Revolving Credit Loans
when such Revolving Credit Lenders would not otherwise be required to do so, without the prior written
consent of the Required Revolving Credit Lenders;

(g) except as otherwise permitted by this Section 12.2 change any provision of this Section
or reduce the percentages specified in the definitions of “Required Lenders,” “Required Revolving Credit
Lenders” or “Required Term Loan Lenders” or any other provision hereof specifying the number or
percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any
determination or grant any consent hereunder, without the written consent of each Lender directly and
adversely affected thereby;

(h) consent to the assignment or transfer by any Credit Party of such Credit Party’s rights and
obligations under any Loan Document to which it is a party (except as permitted pursuant to Section 9.4),
in each case, without the written consent of each Lender; or

(i) release (i) all of the Subsidiary Guarantors or (ii) Subsidiary Guarantors comprising
substantially all of the credit support for the Secured Obligations, in any case, from any Guaranty
Agreement (other than as authorized in Section 11.9), without the written consent of each Lender; or

(j) release all or substantially all of the Collateral or release any Security Document (other
than as authorized in Section 11.9 or as otherwise specifically permitted or contemplated in this
Agreement or the applicable Security Document) without the written consent of each Lender;

provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the
Issuing Lender in addition to the Lenders required above, affect the rights or duties of the Issuing Lender
under this Agreement or any Letter of Credit Application relating to any Letter of Credit issued or to be
issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swingline
Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender
under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the
Administrative Agent in addition to the Lenders required above, affect the rights or duties of the
Administrative Agent under this Agreement or any other Loan Document; (iv) the Engagement Letter
may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (v) each Letter of Credit Application may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto; provided that a copy of such amended Letter of Credit Application shall be promptly delivered to the Administrative Agent upon such amendment or waiver, and (vi) the Administrative Agent and the Borrower shall be permitted to amend any provision of the Loan Documents (and such amendment shall become effective without any further action or consent of any other party to any Loan Document) if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature in any such provision. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Revolving Credit Commitment of such Lender may not be increased or extended without the consent of such Lender.

Notwithstanding anything in this Agreement to the contrary, each Lender hereby irrevocably authorizes the Administrative Agent on its behalf, and without further consent, to enter into amendments or modifications to this Agreement (including, without limitation, amendments to this Section 12.2) or any of the other Loan Documents or to enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to effectuate the terms of Section 2.2 (including, without limitation, as applicable, (1) to permit the Incremental Term Loans and the Incremental Commitment Increases to share ratably in the benefits of this Agreement and the other Loan Documents and (2) to include the Incremental Term Loan Commitments and the Incremental Commitment Increases, as applicable, or outstanding Incremental Term Loans and outstanding Incremental Commitment Increases, as applicable, in any determination of (i) Required Lenders or (ii) similar required lender terms applicable thereto; provided that no amendment or modification shall result in any increase in the amount of any Lender’s Revolving Credit Commitment or any increase in any Lender’s Revolving Credit Commitment Percentage, in each case, without the written consent of such affected Lender.

SECTION 12.3 Expenses; Indemnity.

(a) Costs and Expenses. The Borrower and any other Credit Party, jointly and severally, shall pay (i) all reasonable and documented out of pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable and documented fees, expenses and charges of one firm of counsel and one local counsel, as necessary, in each appropriate jurisdiction, for the Administrative Agent, within thirty (30) days following written demand therefor, together with reasonable backup documentation), in connection with the syndication of the Credit Facility, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out of pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out of pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Lender (including the reasonable and documented fees, expenses and charges of one firm of counsel and, one local counsel, as necessary, in each appropriate jurisdiction and, in the case of an actual or perceived conflict of interest of any of the aforementioned counsel, another firm of counsel for such affected parties for the Administrative Agent, any Lender or the Issuing Lender, within thirty (30) days following written demand therefor, together with reasonable backup documentation), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.
(b) **Indemnification by the Borrower.** The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, and shall pay or reimburse any such Indemnitee for, any and all losses, claims (including, without limitation, any Environmental Claims), penalties, damages, liabilities and related expenses (including the reasonable and documented fees, expenses and charges of one firm of counsel for all Indemniteses and, one local counsel, as necessary, in each appropriate jurisdiction and, in the case of an actual or perceived conflict of interest of any of the aforementioned counsel, another firm of counsel for such affected Indemnitees), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Credit Party), other than such Indemnitee and its Related Parties, arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby (including, without limitation, the Transactions), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Credit Party or any Subsidiary thereof, or any Environmental Claim related in any way to any Credit Party or any Subsidiary, (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Credit Party or any Subsidiary thereof, and regardless of whether any Indemnitee is a party thereto, (v) any claim (including, without limitation, any Environmental Claims), investigation, litigation or other proceeding (whether or not the Administrative Agent or any Lender is a party thereto and the prosecution and defense thereof, arising out of or in any way connected with the Loans, this Agreement, any other Loan Document, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby, including without limitation, reasonable attorneys and consultant's fees, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (A) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (B) result from (1) a material breach by such Indemnitee of its express obligations under this Agreement or any other Loan Document, (2) any claim, litigation, investigation or proceeding between or among Indemniteses not arising from any act or omission by the Borrower or any of its Affiliates (other than any such claim, litigation, investigation or proceeding of any Indemnitee solely in its capacity as, or fulfilling its role as, an agent or arranger or similar role hereunder), or (3) any settlement entered into by such Indemnitee without the Borrower’s written consent (which consent shall not be unreasonably withheld, delayed or conditioned). This Section 12.3(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) **Reimbursement by Lenders.** To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clause (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Lender, the Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Issuing Lender, the Swingline Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time, or if the Total Credit Exposure has been reduced to zero, then based on such Lender's share of the Total Credit Exposure immediately prior to such reduction) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender) provided that with respect to such unpaid amounts owed to the Issuing Lender or the Swingline Lender solely in its capacity as such, only the Revolving Credit
Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Revolving Credit Lenders' Revolving Credit Commitment Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought or, if the Revolving Credit Commitment has been reduced to zero as of such time, determined immediately prior to such reduction); provided, further, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the Issuing Lender or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Issuing Lender or the Swingline Lender in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of Section 5.7.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, the Borrower and each other Credit Party, the Administrative Agent, each Lender, the Issuing Lender, the Swingline Lender and each Secured Party shall not assert, and hereby waives, any claim against any other party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof; provided that nothing in this clause (d) shall relieve the Borrower or any other Credit Party of any obligation it may have to indemnify an Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitees by a third party. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby, except to the extent of such Indemnitee's gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment.

(e) Payments. All amounts due under this Section shall be payable promptly after demand therefor.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

SECTION 12.4 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Lender, the Swingline Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the Issuing Lender, the Swingline Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Credit Party against any and all of the obligations of the Borrower or such Credit Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, the Issuing Lender or the Swingline Lender or any of their respective Affiliates, irrespective of whether or not such Lender, the Issuing Lender, the Swingline Lender or any such Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Credit Party may be contingent or unmatured or are owed to a branch or office of such Lender, the Issuing Lender, the Swingline Lender or such Affiliate different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 10.4 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lender, the
Swingline Lender and the Lenders, and (y) the Defaulting Lender shall 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. The rights of each Lender, the Issuing Lender, the Swingline Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the Issuing Lender, the Swingline Lender or their respective Affiliates may have. Each Lender, the Issuing Lender and the Swingline Lender agree to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 12.5 Governing Law; Jurisdiction, Etc.

(a) Governing Law. This Agreement and the other Loan Documents and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Submission to Jurisdiction. The Borrower and each other Credit Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, the Issuing Lender, the Swingline Lender, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation 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 or in any other Loan Document shall affect any right that the Administrative Agent, any Lender, the Issuing Lender or the Swingline Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any other Credit Party or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. The Borrower and each other Credit Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 12.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

SECTION 12.6 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT
OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 12.7 Reversal of Payments. To the extent any Credit Party makes a payment or payments to the Administrative Agent for the ratable benefit of the Lenders or the Administrative Agent receives any payment or proceeds of the Collateral which payments or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, other Applicable Law or equitable cause, then, to the extent of such payment or proceeds repaid, the Obligations or part thereof intended to be satisfied shall be revived and continued in full force and effect as if such payment or proceeds had not been received by the Administrative Agent.

SECTION 12.8 Injunctive Relief. The Borrower recognizes that, in the event the Borrower fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy of law may prove to be inadequate relief to the Lenders. Therefore, the Borrower agrees that the Lenders, at the Lenders’ option, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

SECTION 12.9 Successors and Assigns; Participations.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and the Loans at the time owing to it); provided that, in each case with respect to any Credit Facility, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender’s Revolving Credit Commitment and/or the Loans at the time owing to it (in each case with respect to any Credit Facility) or contemporaneous assignments to
related Approved Funds (determined after giving effect to such assignments that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if “Trade Date” is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed): provided that the Borrower shall be deemed to have given its consent ten (10) Business Days after the date written notice thereof has been delivered by the assigning Lender (through the Administrative Agent) unless such consent is expressly refused by the Borrower prior to such tenth (10th) Business Day;

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender’s rights and obligations under this Agreement with respect to the Loan or the Commitment assigned;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided, that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; and provided, further, that the Borrower’s consent shall not be required during the primary syndication of the Credit Facility;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) the Revolving Credit Facility if such assignment is to a Person that is not a Revolving Credit Lender, an Affiliate of such Revolving Credit Lender or an Approved Fund with respect to such Revolving Credit Lender or (ii) the Term Loans to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consents of the Issuing Lender and the Swingline Lender (such consents not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Revolving Credit Facility;

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 for each assignment; provided that (A) only one such fee will be payable in connection with simultaneous assignments to two or more related Approved Funds by a Lender and (B) the Administrative Agent may, in its sole discretion, elect to waive such
processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of its Subsidiaries or Affiliates or (B) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall 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 (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Lender, the Swingline Lender and each other Lender hereunder and (B) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Revolving Credit Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender’s 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 5.8, 5.9, 5.10, 5.11 and 12.3 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender’s having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section (other than a purported assignment to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person) or the Borrower or any of the Borrower’s Subsidiaries or Affiliates, which shall be null and void.)
The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices in Charlotte, North Carolina, a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amounts of (and stated interest on) 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, absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall 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 (but only to the extent of entries in the Register that are applicable to such Lender), at any reasonable time and from time to time upon reasonable prior notice.

Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Subsidiaries or Affiliates) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided 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 and (iii) the Borrower, the Administrative Agent, the Issuing Lender, the Swingline Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 12.3(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver or modification described in Section 12.2(a), (b), (c) or (d) that directly and adversely affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 5.9, 5.10 and 5.11 (subject to the requirements and limitations therein, including the requirements under Section 5.11(g) (it being understood that the documentation required under Section 5.11(g) shall be delivered to the participating Lender(s)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 5.12 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 5.10 or 5.11, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 5.12(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.4 as though it were a Lender; provided that such Participant agrees to be subject to Section 5.6 as though it were a Lender.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts of (and stated interest on) each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is
necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 12.10 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent, the Lenders and the Issuing Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Related Parties on a need-to-know basis (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by, or required to be disclosed to, any regulatory or similar authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (in which case the Administrative Agent, the Lender or the Issuing Lender, as applicable, shall use commercially reasonable efforts to, except with respect to any audit or examination conducted by bank accountants or any governmental regulatory authority exercising examination or regulatory authority, promptly notify the Borrower, in advance, to the extent permitted by Applicable Law), (c) as to the extent required by Applicable Laws or regulations or in any legal, judicial, administrative or other compulsory proceeding (in which case the Administrative Agent, the Lender or the Issuing Lender, as applicable, shall use commercially reasonable efforts to promptly notify the Borrower, in advance, to the extent permitted by Applicable Law), (d) to any other party hereto, (e) in connection with the exercise of any remedies under this Agreement, under any other Loan Document or under any Secured Hedge Agreement or Secured Cash Management Agreement, or any action or proceeding relating to this Agreement, any other Loan Document or any Secured Hedge Agreement or Secured Cash Management Agreement, or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the Credit Facility or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Credit Facility, (h) with the consent of the Borrower, (i) to Gold Sheets and other similar bank trade publications, such information to consist of deal terms and other information customarily found in such publications, (j) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender, the Issuing Lender or any of their respective Affiliates from a third party that is not, to such Person’s knowledge, subject to confidentiality obligations to the Borrower, (k) to governmental regulatory authorities in connection with any regulatory examination of the Administrative Agent or any Lender or in accordance with the Administrative Agent’s or any Lender’s regulatory compliance policy if the Administrative Agent or such Lender deems necessary for the mitigation of claims by those authorities against the Administrative Agent or such Lender or any of its subsidiaries or affiliates (in which case the Administrative Agent, the Lender or the Issuing Lender, as applicable, shall use commercially reasonable efforts to, except with respect to
any audit or examination conducted by any governmental regulatory authority exercising examination or regulatory authority, promptly notify the Borrower, in advance, to the extent permitted by Applicable Law, (l) to the extent that such information is independently developed by the Administrative Agent, a Lender or the Issuing Lender, so long as such Person has not otherwise breached its confidentiality obligations hereunder and has not developed such information based on information received from a third party that to its knowledge has breached confidentiality obligations owing to the Borrower, its Subsidiaries or their Affiliates, or (m) for purposes of establishing a “due diligence” defense. For purposes of this Section, “Information” means all information received from any Credit Party or any Subsidiary thereof relating to any Credit Party or any Subsidiary thereof or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the Issuing Lender on a nonconfidential basis prior to disclosure by any Credit Party or any Subsidiary thereof; provided that, in the case of information received from a Credit Party or any Subsidiary thereof after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTIONS 12.11 Performance of Duties. Each of the Credit Party’s obligations under this Agreement and each of the other Loan Documents shall be performed by such Credit Party at its sole cost and expense.

SECTIONS 12.12 All Powers Coupled with Interest. All powers of attorney and other authorizations granted to the Lenders, the Administrative Agent and any Persons designated by the Administrative Agent or any Lender pursuant to any provisions of this Agreement or any of the other Loan Documents shall be deemed coupled with an interest and shall be irrevocable so long as any of the Obligations remain unpaid or unsatisfied, any of the Commitments remain in effect or the Credit Facility has not been terminated.

SECTIONS 12.13 Survival.

(a) All representations and warranties set forth in Article VII and all representations and warranties contained in any certificate, or any of the Loan Documents (including, but not limited to, any such representation or warranty made in or in connection with any amendment thereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement shall be made or deemed to be made at and as of the Closing Date (except those that are expressly made as of a specific date), shall survive the Closing Date and shall not be waived by the execution and delivery of this Agreement, any investigation made by or on behalf of the Lenders or any borrowing hereunder.

(b) Notwithstanding any termination of this Agreement, the indemnities to which the Administrative Agent and the Lenders are entitled under the provisions of this Article XII and any other provision of this Agreement and the other Loan Documents shall continue in full force and effect and shall protect the Administrative Agent and the Lenders against events arising after such termination as well as before.

SECTIONS 12.14 Titles and Captions. Titles and captions of Articles, Sections and subsections in, and the table of contents of, this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.
SECTION 12.15 Severability of Provisions. Any provision of this Agreement or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 12.16 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, the Issuing Lender, the Swingline Lender and/or the Arranger, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 6.1, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 12.17 Term of Agreement. This Agreement shall remain in effect from the Closing Date through and including the date upon which all Obligations (other than contingent indemnification obligations then due) arising hereunder or under any other Loan Document shall have been paid and satisfied in full, all Letters of Credit have been terminated or expired (or been Cash Collateralized) or otherwise satisfied in a manner acceptable to the Issuing Lender and the Revolving Credit Commitment has been terminated. No termination of this Agreement shall affect the rights and obligations of the parties hereto arising prior to such termination or in respect of any provision of this Agreement which survives such termination.

SECTION 12.18 USA PATRIOT Act. The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, each of them is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the PATRIOT Act.

SECTION 12.19 Independent Effect of Covenants. The Borrower expressly acknowledges and agrees that each covenant contained in Articles VIII or IX hereof shall be given independent effect.

SECTION 12.20 No Advisory or Fiduciary Responsibility.

(a) In connection with all aspects of each transaction contemplated hereby, each Credit Party acknowledges and agrees, and acknowledges its Affiliates’ understanding, that (i) the facilities provided...
for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Arranger and the Lenders, on the other hand, and the Borrower is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof), (ii) in connection with the process leading to such transaction, each of the Administrative Agent, the Arranger and the Lenders is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Borrower or any of its Affiliates, stockholders, creditors or employees or any other Person, (iii) none of the Administrative Agent, the Arranger or the Lenders has assumed or will assume any advisory, agency or fiduciary responsibility in favor of the Borrower with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether the Arranger or any Lender has advised or is currently advising the Borrower or any of its Affiliates on other matters) and none of the Administrative Agent, the Arranger or the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the financing transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents, (iv) the Arranger and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from, and may conflict with, those of the Borrower and its Affiliates, and none of the Administrative Agent, the Arranger or the Lenders has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship and (v) the Administrative Agent, the Arranger and the Lenders have not and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate.

(b) Each Credit Party acknowledges and agrees that each Lender, the Arranger and any Affiliate thereof may lend money to, invest in, and generally engage in any kind of business with, any of the Borrower, the Parent, any Affiliate thereof or any other person or entity that may do business with or own securities of any of the foregoing, all as if such Lender, Arranger or Affiliate thereof were not a Lender or Arranger or an Affiliate thereof (or an agent or any other person with any similar role under the Credit Facilities) and without any duty to account therefor to any other Lender, the Arranger, the Parent, the Borrower or any Affiliate of the foregoing. Each Lender, the Arranger and any Affiliate thereof may accept fees and other consideration from the Parent, the Borrower or any Affiliate thereof for services in connection with this Agreement, the Credit Facilities or otherwise without having to account for the same to any other Lender, the Arranger, the Parent, the Borrower or any Affiliate of the foregoing.
SECTION 12.21 Inconsistencies with Other Documents. In the event there is a conflict or inconsistency between this Agreement and any other Loan Document, the terms of this Agreement shall control; provided that any provision of the Security Documents which imposes additional burdens on the Borrower or any of its Subsidiaries or further restricts the rights of the Borrower or any of its Subsidiaries or gives the Administrative Agent or Lenders additional rights shall not be deemed to be in conflict or inconsistent with this Agreement and shall be given full force and effect.

SECTION 12.22 Acknowledgment and Consent to Bail-In of EEA 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 acknowledges that any liability of any EEA 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 an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

As used in this Section, the following definitions apply:

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“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 delegate) having responsibility for the resolution of any EEA Financial Institution.

"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.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by their duly authorized officers, all as of the day and year first written above.

REALPAGE, INC., as Borrower
By: _______________________________
Name: ___________________________
Title: ___________________________
AGENTS AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Swingline Lender, Issuing Lender and Lender

By: ___________________________________________
Name:
Title:

FIFTH THIRD BANK, as Lender

By: ___________________________________________
Name:
Title:
BANK OF AMERICA, N.A., as Lender

By: ________________________________
Name: ______________________________
Title: ______________________________
JPMORGAN CHASE BANK, N.A., as Lender

By: _______________________________________
Name: __________________________
Title: __________________________
FOURTH AMENDMENT TO CREDIT AGREEMENT

This FOURTH AMENDMENT TO CREDIT AGREEMENT (this “Amendment”) is dated as of April 3, 2017, and effective in accordance with Section 3 below, by and among REALPAGE, INC., a Delaware corporation (the “Borrower”), certain subsidiaries of the Borrower party hereto, certain of the Lenders referred to below, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as administrative agent for the Lenders party to the Credit Agreement ("Administrative Agent").

STATEMENT OF PURPOSE:

WHEREAS, the Borrower, certain financial institutions party thereto (the “Lenders”) and the Administrative Agent have entered into that certain Credit Agreement dated as of September 30, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”);

WHEREAS, the Borrower has requested certain amendments to the Credit Agreement as set forth more fully herein;

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

Section 1. Capitalized Terms. All capitalized undefined terms used in this Amendment (including, without limitation, in the introductory paragraph and the statement of purpose hereto) shall have the meanings assigned thereto in the Credit Agreement (as amended by this Amendment).

Section 2. Amendments to Credit Agreement. Effective as of the Fourth Amendment Effective Date (as defined below) and subject to the terms and conditions set forth herein and in reliance upon representations and warranties set forth herein, the parties hereto agree that the Credit Agreement is amended as follows:

(a) The definition of “Applicable Margin” set forth in Section 1.1 of the Credit Agreement is hereby amended by:

(i) replacing the pricing grid set forth therein with the following:

<table>
<thead>
<tr>
<th>Pricing Level</th>
<th>Consolidated Net Leverage Ratio</th>
<th>Commitment Fee and Delayed Draw Ticking Fee</th>
<th>LIBOR +</th>
<th>Base Rate +</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Less than 1.50 to 1.00</td>
<td>0.25%</td>
<td>1.25%</td>
<td>0.25%</td>
</tr>
<tr>
<td>II</td>
<td>Greater than or equal to 1.50 to 1.00, but less than 2.50 to 1.00</td>
<td>0.25%</td>
<td>1.50%</td>
<td>0.50%</td>
</tr>
<tr>
<td>III</td>
<td>Greater than or equal to 2.50 to 1.00, but less than 3.50 to 1.00</td>
<td>0.30%</td>
<td>1.75%</td>
<td>0.75%</td>
</tr>
<tr>
<td>IV</td>
<td>Greater than or equal to 3.50 to 1.00, but less than 4.00 to 1.00</td>
<td>0.35%</td>
<td>2.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td>V</td>
<td>Greater than or equal to 4.00 to 1.00</td>
<td>0.40%</td>
<td>2.25%</td>
<td>1.25%</td>
</tr>
</tbody>
</table>

(ii) replacing the reference to “Pricing Level IV” in the paragraph immediately following the pricing grid set forth therein with “Pricing Level V”.

(b) The definition of “Consolidated Interest Coverage Ratio” set forth in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

1
“Consolidated Interest Coverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date to (b) Consolidated Interest Expense for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date; provided that only the cash portion of Consolidated Interest Expense attributable to Convertible Debt Securities shall be included in the calculation of Consolidated Interest Expense for purposes of calculating the Consolidated Interest Coverage Ratio.

(c) The definition of “Pro Forma Basis” set forth in Section 1.1 of the Credit Agreement is hereby amended by replacing the last paragraph of such definition with the following:

“In connection with any Permitted Acquisition, or any incurrence of Indebtedness under Section 9.1(r), which is conditioned on, or determined by reference to, compliance on a Pro Forma Basis with Section 9.13, such determinations on a Pro Forma Basis may include (i) an increase in the maximum Consolidated Net Leverage Ratio under Section 9.13(a) to the extent permitted pursuant to such clause (a) if Borrower notifies the Administrative Agent not less than five (5) Business Days’ prior to the consummation of such Permitted Acquisition (and incurrence of Indebtedness, if applicable) that the conditions to such increase will be satisfied in connection with such Permitted Acquisition (and incurrence of Indebtedness, if applicable) and/or (ii) an increase in the maximum Consolidated Senior Secured Net Leverage Ratio under Section 9.13(b) to the extent permitted pursuant to such clause (b) if the Borrower has elected to exercise such increase by giving written notice to the Administrative Agent not less than five (5) Business Days’ prior to the consummation of such Permitted Acquisition or incurrence of Indebtedness.”

(d) The definition of “Qualified Unsecured Debt Issuance” set forth in Section 1.1 of the Credit Agreement is hereby amended by replacing the reference therein to “$150,000,000” with “$225,000,000”.

(e) Section 1.1 of the Credit Agreement is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“Consolidated Senior Secured Indebtedness” means, as of any date of determination with respect to the Borrower and its Subsidiaries on a Consolidated basis, without duplication, (a) all Consolidated Funded Indebtedness that is secured by a Lien on any Property of the Borrower or any Subsidiary less (b) the aggregate amount of Qualified Cash and Cash Equivalents in excess of $10,000,000 on such date (provided that if the aggregate Revolving Credit Outstandings (excluding L/C Obligations) exceed $50,000,000, the amount of Qualified Cash and Cash Equivalents permitted to be subtracted hereunder shall not exceed $60,000,000).

“Consolidated Senior Secured Net Leverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Senior Secured Indebtedness on such date to (b) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date.

“Lease Rent Options Acquisition” means an acquisition pursuant to the Asset Purchase Agreement, dated as of February 27, 2017, by and among the Borrower, RP Newco XX LLC, Rainmaker Group Holdings, Inc. (“RGH”), The Rainmaker Group Ventures, LLC (“RGV”), certain other affiliated parties and major equityholders of RGH and RGV (collectively, the “Sellers”) and a designated representative of the Seller equity holders.

(f) Section 2.7(a) of the Credit Agreement is hereby amended to replace the reference therein to “Consolidated Net Leverage Ratio” with “Consolidated Senior Secured Net Leverage Ratio”.

(g) Section 9.3(u) of the Credit Agreement is hereby amended and restated in its entirety as follows:

“(u) Investments not otherwise permitted pursuant to this Section; provided that, immediately before and immediately after giving pro forma effect to any such Investments, (i) no Default or Event of Default shall have occurred and be continuing, (ii) the Borrower shall be in compliance (based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided) with (x) a Consolidated Senior Secured Net Leverage Ratio of not greater than 3.25 to 1.00 and (y) a Consolidated Net Leverage Ratio of not greater than 4.00 to 1.00 and (iii) the Borrower shall have Liquidity of not less than $35,000,000.”

(h) Section 9.6(h) of the Credit Agreement is hereby amended and restated in its entirety as follows:
“(h) the Borrower may declare and make Restricted Payments not otherwise permitted pursuant to this Section; provided that, immediately before and immediately after giving pro forma effect to the making of any such Restricted Payment, (i) no Default or Event of Default shall have occurred and be continuing and (ii) the Borrower shall (A) be in compliance (based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided) with (x) a Consolidated Senior Secured Net Leverage Ratio of not greater than 3.25 to 1.00 and (y) a Consolidated Net Leverage Ratio of not greater than 4.00 to 1.00 and (B) have Liquidity of not less than $35,000,000.”

(i) Section 9.9(b)(vi) of the Credit Agreement is hereby amended and restated in its entirety as follows:

“(vi) payments not otherwise permitted pursuant to this Section; provided that, immediately before and immediately after giving pro forma effect to the making of any such payment, (A) no Default or Event of Default shall have occurred and be continuing and (B) the Borrower shall (1) be in compliance (based on the financial statements for the most recent fiscal quarter end for which financial statements have been provided) with (x) a Consolidated Senior Secured Net Leverage Ratio of not greater than 3.25 to 1.00 and (y) a Consolidated Net Leverage Ratio of not greater than 4.00 to 1.00 and (2) have Liquidity of not less than $35,000,000; and”

(j) Section 9.13 of the Credit Agreement is hereby amended and restated in its entirety as follows:


(a) Consolidated Net Leverage Ratio. As of the last day of any fiscal quarter, permit the Consolidated Net Leverage Ratio to be greater than 4.00 to 1.00.

Notwithstanding the foregoing, upon the consummation of any Permitted Acquisition or series of Permitted Acquisitions (excluding the Lease Rent Options Acquisition) having aggregate consideration (including cash, Cash Equivalents, Equity Interests, Earn-outs, Holdbacks and other deferred payment obligations) equal to or in excess of $150,000,000 and occurring within five hundred forty (540) days following the completion of a Qualified Unsecured Debt Issuance, the required Consolidated Net Leverage Ratio pursuant to this Section shall automatically be increased to 5.00 to 1.00 for the fiscal quarter ended immediately after the consummation of such Permitted Acquisition or series of Permitted Acquisitions and solely during the period for which such Qualified Unsecured Debt Issuance is outstanding; provided that the maximum Consolidated Net Leverage Ratio pursuant to this Section shall automatically be reduced by 0.25 to 1.00 every second fiscal quarter end following the effectiveness of any such increase until the maximum required Consolidated Net Leverage Ratio pursuant to this Section has been reduced to 4.00 to 1.00; provided, further, that any such increase under this sentence shall occur no more than one time during the term of this Agreement.

(b) Consolidated Senior Secured Net Leverage Ratio. As of the last day of any fiscal quarter, permit the Consolidated Senior Secured Net Leverage Ratio to be greater than 3.50 to 1.00.

Notwithstanding the foregoing, upon the consummation of any Permitted Acquisition having aggregate consideration (including cash, Cash Equivalents, Equity Interests, Earn-outs, Holdbacks and other deferred payment obligations) in excess of $50,000,000, the Borrower may, at its election (in connection with such Permitted Acquisition and by not less than five (5) Business Days’ written notice to the Administrative Agent prior to delivery of financial statements pursuant to Section 8.1(a) or (b) for the fiscal quarter ended immediately after the consummation of such Permitted Acquisition), increase the required Consolidated Senior Secured Net Leverage Ratio pursuant to this Section to 3.75 to 1.00 solely for each fiscal quarter ending during the twelve (12) month period immediately following such Permitted Acquisition; provided that the Borrower shall be permitted to exercise such increase option under this sentence no more than one time during any consecutive twenty-four (24) month period.

(c) Consolidated Interest Coverage Ratio. As of the last day of any fiscal quarter, permit the Consolidated Interest Coverage Ratio to be less than 3.00 to 1.00.”

Section 3. Conditions to Effectiveness. This Amendment shall be deemed to be effective upon the satisfaction or waiver of each of the following conditions to the reasonable satisfaction of the Administrative Agent (such date, the “Fourth Amendment Effective Date”):
(a) The Administrative Agent’s receipt of this Amendment, duly executed by each of the Credit Parties, the Administrative Agent, and the Required Lenders.

(b) Payment of all fees and expenses of the Administrative Agent, and in the case of expenses, to the extent invoiced at least two (2) Business Days prior to the Fourth Amendment Effective Date (except as otherwise reasonably agreed to by the Borrower), required to be paid on the Fourth Amendment Effective Date.

(c) The representations and warranties in Section 4 of this Amendment shall be true and correct as of the Fourth Amendment Effective Date.

For purposes of determining compliance with the conditions specified in this Section 3, each Lender that has signed this Amendment 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 Fourth Amendment Effective Date specifying its objection thereto.

Section 4. Representations and Warranties. By its execution hereof, each Credit Party hereby represents and warrants to the Administrative Agent and the Lenders that, as of the date hereof after giving effect to this Amendment:

(a) each of the representations and warranties made by the Credit Parties in or pursuant to the Loan Documents is true and correct in all material respects (except to the extent that such representation and warranty is subject to a materiality or Material Adverse Effect qualifier, in which case it shall be true and correct in all respects), in each case, on and as of the date hereof as if made on and as of the date hereof, except to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date;

(b) no Default or Event of Default has occurred and is continuing as of the date hereof or after giving effect hereto;

(c) it has the right and power and is duly authorized and empowered to enter into, execute and deliver this Amendment and to perform and observe the provisions of this Amendment;

(d) this Amendment has been duly authorized and approved by such Credit Party’s board of directors or other governing body, as applicable, and constitutes a legal, valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law; and

(e) the execution, delivery and performance of this Amendment do not conflict with, result in a breach in any of the provisions of, constitute a default under, or result in the creation of a Lien (other than Permitted Liens) upon any assets or property of any of the Credit Parties, or any of their respective Subsidiaries, under the provisions of, such Credit Party’s or such Subsidiary’s organizational documents or any material agreement to which such Credit Party or Subsidiary is a party.

Section 5. Effect of this Amendment. On and after the Fourth Amendment Effective Date, references in the Credit Agreement to “this Agreement” (and indirect references such as “hereunder”, “hereby”, “herein”, and “hereof”) and in any Loan Document to the “Credit Agreement” shall be deemed to be references to the Credit Agreement as modified hereby. Except as expressly provided herein, the Credit Agreement and the other Loan Documents shall remain unmodified and in full force and effect. Except as expressly set forth herein, this Amendment shall not be deemed (a) to be a waiver of, or consent to, a modification or amendment of, any other term or condition of the Credit Agreement or any other Loan Document, (b) to prejudice any other right or rights which the Administrative Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement or the other Loan Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or otherwise modified from time to time, (c) to be a commitment or any other undertaking or expression of any willingness to engage in any further discussion with the Borrower or any other Person with respect to any waiver, amendment, modification or any other change to the Credit Agreement or the Loan Documents or any rights or remedies arising in favor of the Lenders or the Administrative Agent, or any of them, under or with respect to any such documents or (d) to be a waiver of, or consent to or a modification or amendment of, any other term or condition of any other
agreement by and among the Credit Parties, on the one hand, and the Administrative Agent or any other Lender, on the other hand.

Section 6. Costs and Expenses. The Borrower hereby reconfirms its obligations pursuant to Section 12.3 of the Credit Agreement to pay and reimburse the Administrative Agent and its Affiliates in accordance with the terms thereof.

Section 7. Acknowledgments and Reaffirmations. Each Credit Party (a) consents to this Amendment and agrees that the transactions contemplated by this Amendment shall not limit or diminish the obligations of such Person under, or release such Person from any obligations under, any of the Loan Documents to which it is a party, (b) confirms and reaffirms its obligations under each of the Loan Documents to which it is a party and (c) agrees that each of the Loan Documents to which it is a party remain in full force and effect and are hereby ratified and confirmed.

Section 8. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 9. Counterparts. This Amendment may be executed in any number of counterparts, and by different parties hereto in separate counterparts and by facsimile signature, each of which counterparts when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

Section 10. Electronic Transmission. Delivery of this Amendment by facsimile, telecopy or pdf shall be effective as delivery of a manually executed counterpart hereof; provided that, upon the request of any party hereto, such facsimile transmission or electronic mail transmission shall be promptly followed by the original thereof.

Section 11. Nature of Agreement. For purposes of determining withholding Taxes imposed under FATCA from and after the Fourth Amendment Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Credit Agreement (as amended by this Amendment) as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

[Signature Pages Follow]
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date and year first above written.

BORROWER:

REALPAGE, INC.

By: /s/ W. Bryan Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer and Treasurer

SUBSIDIARY GUARANTORS:

MULTIFAMILY INTERNET VENTURES, LLC
PROPERTYWARE LLC
LEVEL ONE LLC
RP ABC LLC
REALPAGE VENDOR COMPLIANCE LLC
VELOCITY UTILITY SOLUTIONS LLC
LEASESTAR LLC
RP NEWCO XV LLC
RP AXIOMETRICS LLC

By: RealPage, Inc., as sole member

By: /s/ W. Bryan Hill
Name: W. Bryan Hill
Title: Executive Vice President, Chief Financial Officer and Treasurer

KIGO, INC.

By: /s/ W. Bryan Hill
Name: W. Bryan Hill
Title: Vice President, Chief Financial Officer and Treasurer

NWP SERVICES CORPORATION

By: /s/ W. Bryan Hill
Name: W. Bryan Hill
Title: Vice President, Chief Financial Officer and Treasurer

RealPage, Inc.
Fourth Amendment to Credit Agreement
Signature Page
ADMINISTRATIVE AGENT AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Swingline Lender, Issuing Lender and Lender

By: /s/ Reid R. Landers
Name: Reid R. Landers
Title: Vice President

FIFTH THIRD BANK, as Lender

By: /s/ Glen Mastey
Name: Glen Mastey
Title: Managing Director

COMERICA BANK, as Lender

By: /s/ Charles Fell
Name: Charles Fell
Title: Vice President

BANK OF AMERICA, N.A., as Lender

By: /s/ Steven A. Mackenzie
Name: Steven A. Mackenzie
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., as Lender

By: /s/ Justin Burton
Name: Justin Burton
Title: Vice President

REGIONS BANK, as Lender

By: /s/ Jason Douglas
Name: Jason Douglas
Title: Director
CAPITAL ONE, NATIONAL ASSOCIATION, as Lender

By: /s/ Nirmal Bivek
Name: Nirmal Bivek
Title: Duly Authorized Signatory

MORGAN STANLEY SENIOR FUNDING, INC.,
as Lender

By: /s/ Dmitriy Barskiy
Name: Dmitriy Barskiy
Title: Authorized Signatory

RealPage, Inc.
Fourth Amendment to Credit Agreement
Signature Page
RealPage 2017
Management Incentive Plan

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
<th>Target (2) (3) (in millions)</th>
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<tr>
<td>Corporate Revenue</td>
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<td>Corporate EBITDA</td>
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<td>Product Revenue</td>
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<td>Product Profit</td>
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<tr>
<td>Individual Performance (5)</td>
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Target Award % (1) _______

(1) Target Award % represents the percentage of base salary earned during the eligible portion of the year which is achieved at target.
(2) Each criterion has a target, a minimum, and a maximum. The target pays out at 100%. The minimum is 0% and the maximum is 200%.
(3) Corporate Revenue and EBITDA objectives are confidential and will not be disclosed until year end results are released. Divisional revenue and profit objectives may be disclosed, but should be kept strictly confidential. To assess how the company is doing, the company will disclose general range of financial to each plan type after quarterly earnings are released.
(4) Targets (including minimums and maximums) and awards may be adjusted by the compensation committee based on (i) risk assessment inherent in the target and (ii) special circumstances that were not anticipated when the targets were established.
(5) Achievement of strategic goals and initiatives identified in the individual’s plan as well as individual performance ratings and rankings will be used in the calculation of the individual rating.

The 2017 RealPage Management Incentive Plan (the “Plan”) is in effect from January 1, 2017 to December 31, 2017, and is intended to reward mid-level and senior managers with bonus compensation based on the achievement of corporate, group, departmental and individual objectives. To be eligible to earn bonus awards under this plan, a participant must:

i. be a regular, full-time employee by October 1, 2017;
ii. be a regular, full-time employee on the date of payment of each award;
iii. be a senior manager grade 13 or above;
iv. not be on another incentive plan; and
v. achieve an individual performance rating above 3.5.

In addition, to be eligible to receive a bonus, minimum 2017 Revenue and EBITDA objectives for the Company must be met.

Bonus awards will be prorated for the period of time the participant is a member of the plan; e.g., the bonus for a qualified manager hired/promoted on June 23rd would be prorated by 50%. Determination of how much is awarded to each participant is a function of up to five criteria. Achievement of objectives and goals will be determined by the Compensation Committee of the Board of Directors after considering recommendations made by the President. Possible ratings range from 0% to 200% for each category. Awards will be made when declared in cash less required taxes and withholdings.
Example

Assume annual base salary earned during the year for a manager is $100K. The target award for this individual is 20% of base salary. Participant in the plan is based on the following weightings:

- Corporate Revenue 10%
- Corporate EBITDA 15%
- Divisional Revenue 20%
- Divisional Profit 30%
- Individual Performance 25%

The compensation committee of the Board of Directors determines corporate revenue is 100%, EBITDA achievement is also 100%. The division achieves both its revenue and profit goals at a 100% level. The employee’s individual performance achievement was worth 80% of the individual target. The bonus award for this individual would be computed as follows:

1. **Bonus based on corporate revenue achievement** = $100,000 * .2 * .10 * 1.00 = $2,000
2. **Bonus based on corporate EBITDA achievement** = $100,000 * .2 * .15 * 1.00 = $3,000
3. **Bonus based on divisional revenue achievement** = $100,000 * .2 * .20 * 1.00 = $4,000
4. **Bonus based on divisional profit achievement** = $100,000 * .2 * .30 * 1.00 = $6,000
5. **Bonus based on individual goals and initiatives** = $100,000 * .2 * .25 * .80 = $4,000

Total Award $19,000

Additional Terms and Conditions:

- All payments under the Plan shall be subject to standard withholding policies of the Company, including, without limitation, withholding for Federal Income Tax, FICA, Medicare, etc.
- The Plan may be modified or terminated from time to time or at any time by the Company or the Compensation Committee.
- All participants in the Plan are employed “at will” and may be terminated at any time, at the sole discretion of the Company. The Plan does not constitute an employment agreement, nor does it constitute a guarantee of continued employment.
- A participant must be employed by the Company as a regular full-time employee on the date of any payment under the Plan.
- The Plan is an annual plan and is only effective for calendar year 2017. If objectives are achieved, payment is generally made by the end of the first quarter following the close of the plan year.
- At the Company’s discretion, payments may be advanced periodically during the plan year. The total annual amount of the award shall be offset by any such advanced payments.
- By executing this Plan, the undersigned acknowledges that (s)he has read the Plan, understands the Plan and agrees to be bound by the provisions of the Plan.

_______________________________________
Employee Name

_______________________________________
DATE
FOURTH AMENDMENT TO THE REALPAGE, INC.
2010 EQUITY INCENTIVE PLAN

(Amended and Restated Effective June 4, 2014, as further amended)

This Fourth Amendment (this “Amendment”) to the RealPage, Inc. (the “Corporation”) 2010 Equity Incentive Plan, as amended and restated June 4, 2014 (as further amended, the “Plan”) is adopted as of February 16, 2017 (the “Date of Amendment”) by the Board. All capitalized terms not defined herein shall have the meanings ascribed to them by the Plan.

Effective as of the Date of Amendment, the Plan is amended as follows:

1. Annual Award to Outside Directors. Sections 12(c) and 12(d) of the Plan are hereby amended and restated to read in their entirety as follows:

   (c) Annual Award. Each Outside Director will be automatically granted (an “Annual Award”) on April 1 of each year, beginning in 2017, a number of Shares of Restricted Stock determined by dividing (A) $200,000 by (B) the average of the Fair Market Value of a share on each of the 30 trading days immediately preceding (and excluding) the grant date, with the number of Shares rounded up to the nearest whole Share. If the initial election or appointment of such Outside Director occurs on any date other than April 1st, such Outside Director will also be automatically granted a prorated portion of the Annual Award on the date of such election or appointment. The prorated number of Shares of Restricted Stock shall be determined based on the number of complete months remaining between the date of election or appointment and the next April 1st.

   (d) Terms. The terms of each Award granted pursuant to this Section will be as follows: The Restricted Stock awarded under each Annual Award will be issued for no cash consideration and will be forfeited and automatically transferred to and reacquired by the Corporation at no cost upon the date the Director ceases to provide services as a member of the Board (the “Forfeiture Provision”). The Forfeiture Provision will lapse as to twenty-five percent (25%) of the Restricted Stock awarded in such Annual Award on the first day of each calendar quarter for four (4) calendar quarters beginning on the first day of the calendar quarter immediately following the date of grant, provided that the Participant continues to serve as a Director through such dates.

2. Miscellaneous. Except as expressly amended hereby, the terms and conditions of the Plan shall remain in full force and effect. This Amendment shall be governed by and construed in accordance with the laws of the State of Texas, without reference to principles of conflict of laws.

RealPage, Inc., by its duly authorized officer, has executed this Fourth Amendment to the Plan on the date indicated below.

REALPAGE, INC.

By: /s/ Stephen T. Winn
Stephen T. Winn
Chief Executive Officer
Chairman of the Board

Date: February 16, 2017
THIS EMPLOYMENT AGREEMENT (this “Agreement”), is made as of the 11th day of December, 2015 (the “Effective Date”) by and between Andrew Blount (“Executive”), and RealPage, Inc., a Delaware company (“Employer”), located at 4000 International Parkway, Carrollton, TX 75007.

1. **Employment and Consideration.** Employer hereby agrees to employ Executive, and Executive hereby accepts such employment, on the terms and conditions hereinafter set forth. In consideration of the promises of Executive contained in this Agreement, Employer agrees to employ Executive, and to provide Executive with confidential information of Employer necessary for the performance of Executive’s position.

2. **Employment Screening.** Executive has successfully completed a pre-employment consumer report verification, and Employer new hire paperwork, each of which was to be conducted in accordance with applicable state and/or federal law. Executive understands and agrees that Executive will be subject to Employer’s general policies and practices concerning applicants for senior executive positions and new senior executive employees.

3. **Employment Period.** The period during which Executive shall furnish services to Employer hereunder (the “Employment Period”) shall commence on December 1, 2015 and shall end on the Date of Termination (as defined in Section 8(b) below). Nothing in this Section 3 shall limit the right of Employer or Executive to terminate Executive’s employment hereunder on the terms and conditions set forth in Section 7 hereof.

4. **Position and Duties.**
   (a) **Office; Reporting; Duties.** During the Employment Period, Executive shall serve as Chief Marketing Officer of Employer or such other designation as approved by the Chief Executive Officer. Executive shall report directly to the Chief Executive Officer of Employer or such other executive as the Chief Executive Officer of Employer shall designate (“Supervisory Executive”). Executive shall have those powers, duties and perquisites consistent with a senior management position and such other powers and duties as may be prescribed by the Supervisory Executive, provided that such other powers and duties are consistent with Executive’s position within the management structure of Employer.

   (b) **Commitment of Full Time Efforts.** Executive agrees to devote substantially his or her full working time, attention and energies to the performance of Executive’s duties for Employer, provided, however, that it shall not be a violation of this Agreement for Executive to (i) serve on civic or charitable boards or committees, (ii) serve on non-public corporate boards or committees, (iii) manage personal investments, or (iv) give speeches and make media appearances in Executive's individual capacity to discuss matters of public interest (so long as such shall not involve any illegal conduct), so long as the foregoing activities comply with the RealPage, Inc. Code of Business Conduct and Ethics and do not interfere materially with the performance of Executive’s responsibilities for Employer.

5. **Place of Performance.** Executive shall perform Executive’s duties for Employer from the offices of Employer, located at 4000 International Parkway, Carrollton, Texas 75007 or such other location as is either within a 25-mile radius thereof or within a 25-mile radius of the Executive’s principal residence (at the time the applicable location becomes Executive’s principal office).

6. **Compensation and Related Matters.**
   (a) **Base Salary.** As compensation for the performance by Executive of Executive’s obligations hereunder, during the Employment Period, Employer shall pay Executive a base salary at a rate not less than $29,166.67 per month, or $350,000 on an annualized basis (the base salary, at the rate in effect from time to time, is hereinafter referred to as the "Base Salary"). Base Salary shall be paid in approximately equal installments in accordance with Employer’s customary payroll practices and legal requirements regarding withholding and deductions. During the Employment Period, the Base Salary shall be reviewed no less frequently than annually to determine whether or not the same should be adjusted in light of the duties, responsibilities and performance of Executive and other relevant factors.
(b) Relocation. Executive shall commence working full-time at Employer’s headquarters office no later than January 4, 2016. Employer will provide a one-time relocation package for Executive’s actual expenses incurred in relocating to the Dallas area of up to $100,000, inclusive of applicable taxes, in accordance with the standard terms and conditions of the RealPage Leadership Relocation Policy.

( c ) Annual Bonus. During the Employment Period, Executive shall be eligible for an annual bonus under the terms of the RealPage Management Incentive Plan (“MIP Target”) of 50% of Executive’s Base Salary for achievement of MIP Target at 100%. The performance criteria shall be as established by the Compensation Committee of Employer’s Board of Directors. To be eligible for the Annual Bonus, Executive must be employed by Employer on December 31 of the year with regard to which the Annual Bonus is applicable and must be employed on the date the Annual Bonus is paid. Annual Bonuses shall be paid according to the RealPage Management Incentive Plan.

(d) Equity Grants. Under the terms and conditions of the RealPage, Inc. Amended and Restated 2010 Equity Incentive Plan, as amended (the “Plan”), and subject to approval of the Compensation Committee of the RealPage Board of Directors and its standard policies for issuing equity grants, Executive shall be granted/eligible to receive (i) options to purchase up to 75,000 shares of RealPage common stock pursuant to a Stock Option Award Agreement in the form attached as Exhibit I hereto with an exercise price that will be equal to the fair market value of RealPage’s stock on the date of grant (as determined in accordance with the Plan); (ii) 25,000 restricted shares of RealPage common stock pursuant to a Restricted Stock Award Agreement included in the form attached as Exhibit II hereto; and (iii) 100,000 restricted shares of RealPage common stock, subject to performance criteria tied to the market price of RealPage common stock pursuant to a Restricted Stock Award Agreement included in the form attached as Exhibit III hereto.

(e) Expenses and Vacations. Employer, according to its standard travel policy, shall reimburse Executive for all reasonable, in-policy business expenses upon the presentation of itemized statements of such expenses. Executive shall be entitled to three weeks’ paid vacation per year, in accordance with Employer’s vacation policy and practice applicable to senior executives of Employer; provided that following Executive’s fifth anniversary of employment with Employer, Executive shall be entitled to four weeks’ paid vacation per year.

(f) Fringe Benefits and Perquisites. During the Employment Period, Employer shall make available to Executive all the fringe benefits and perquisites that are made available to other senior executives of Employer, including an additional $3,500 payment towards medical expenses.

(g) Other Benefits. During the Employment Period, Executive shall be eligible to participate in all other employee welfare benefit plans and other benefit programs (including group life insurance, medical and dental insurance, and accident and disability insurance) made available generally to employees or senior executives of Employer.

7. Termination. Executive’s employment hereunder may be terminated under the following circumstances, in each case subject to the provisions of this Agreement:

(a) Death. Executive’s employment hereunder shall terminate upon Executive’s death.

(b) Disability. If, as a result of Executive’s incapacity due to physical or mental condition and, if reasonable accommodation is required by law, after any reasonable accommodation, Executive shall have been absent from Executive’s duties hereunder on a full-time basis (i) for a period of six consecutive months or (ii) for shorter periods aggregating six months during any 12-month period, and, in either case, within 30 days after written Notice of Termination (as described in Section 8(a) hereof) is given, Executive shall not have returned to the performance of Executive’s duties hereunder on a full-time basis, Employer may terminate Executive’s employment hereunder for “Disability.”

(c) Cause. Employer may terminate Executive’s employment hereunder for Cause. In the event of a termination under this Section 7(c), the Date of Termination shall be the date set forth in the Notice of Termination. For purposes of this Employment Agreement, “Cause” means the occurrence of any of the following events which are not cured by Executive within ten days after
receipt of written notice of such alleged cause from Employer or, if such event cannot be corrected within such ten-day period, if Executive does not commence to correct such default within said ten-day period and thereafter diligently prosecute the correction of same to completion within a reasonable time, provided, however, for no period greater than 30 days: (i) Executive’s conviction for any acts of fraud or breach of trust or any felony criminal acts; (ii) Executive’s knowingly making a materially false written statement to Employer’s auditors or legal counsel; (iii) Executive’s willful and material falsification of any corporate document or form; (iv) any material breach by Executive of any Employer published policy received and acknowledged by Executive in writing; (v) any material breach by Executive of a material provision of this Employment Agreement; (vi) Executive’s making a material misrepresentation of fact or omission to disclose material facts in relation to transactions occurring in the business and financial matters of Employer; (vii) Executive’s repeated and material failure substantially to perform Executive’s duties; or (viii) Executive fails to move his primary residence to within 25 miles of Employer’s new corporate headquarters in Richardson, Texas by January 1, 2016. Notwithstanding the foregoing, during the two-year period following a Change in Control (as defined in the Plan, “Change in Control” (the “Protected Period”), a termination for Cause (other than pursuant to Section 7(c)(i)) shall require a showing by Employer that the actions giving rise to such termination resulted in material and demonstrable harm to Employer.

(d) Good Reason. For purposes of this Agreement, “Good Reason” shall mean, without Executive’s written consent: (i) a material reduction in Executive’s base salary or incentive compensation opportunity; (ii) a material reduction in Executive’s responsibilities or authority; (iii) a material breach by Employer of a material provision of this Agreement, or (iv) a material change in the geographic location at which Executive must perform Executive’s services (except as provided in Section 5 above); provided, that in no instance will the relocation of Executive to a facility or a location that is either 25 miles or less from Executive’s then-current office or 25 miles or less from Executive’s then-current primary residence be deemed material for purposes of this Agreement.

In the event of a resignation for Good Reason, Executive must provide Employer with written notice of the acts or omissions constituting the grounds for Good Reason within 90 days of the initial existence of the grounds for Good Reason within 90 days of the initial existence of the grounds for Good Reason and a reasonable opportunity for Employer to cure the conditions giving rise to such Good Reason, which shall not be less than 30 days following the date of notice from Executive. If Employer cures the conditions giving rise to such Good Reason within 30 days of the date of such notice, Executive will not be entitled to severance payments and/or benefits contemplated by Section 9(a) below if Executive thereafter resigns from Employer based on such grounds. Any termination for Good Reason must be effectuated within 90 days of the expiration of such cure period.

(e) Other Terminations. Notwithstanding the foregoing provisions, Employer may terminate Executive’s employment at any time, for any reason, with or without Cause, and Executive may terminate Executive’s employment at any time, with or without cause, in accordance with applicable state and federal law. The parties acknowledge that Executive is an at-will employee of Employer.

8. Termination Procedure.

(a) Notice of Termination. Any termination of Executive’s employment by Employer or by Executive (other than termination pursuant to Section 7(a) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 15.

(b) Date of Termination. “Date of Termination” shall mean (i) if Executive’s employment is terminated by Executive’s death, the date of Executive’s death; (ii) if Executive’s employment is terminated pursuant to Section 7(b), 30 days after Notice of Termination is given (provided that Executive shall not have returned to the performance of Executive’s duties on a full-time basis during such 30-day period); (iii) if Executive’s employment is terminated pursuant to Section 7(c), the date specified in the Notice of Termination; (iv) if Executive terminates Executive’s employment for Good Reason, upon expiration of the 30-day cure period set forth in Section 7(d) if Employer’s breach shall be uncured; and (v) if Executive’s employment is terminated pursuant to Section 7(e), immediately upon written notice delivered by the terminating party to the other, unless such notice designates a
different termination date (in the case of a termination by Executive pursuant to Section 7(e), Employer may elect to accelerate the Date of Termination to any date following receipt of such notice, and such acceleration shall not be deemed a termination by Employer without Cause).

9. **Compensation Upon Termination**

   **(a) Death; Disability; Termination By Employer without Cause or By Executive for Good Reason.** If Executive’s employment is terminated during the Employment Period by reason of Executive’s death or Disability or by Employer without Cause or by Executive for Good Reason, Employer shall pay to Executive (or Executive’s legal representatives or estate or as may be directed by the legal representatives of Executive’s estate, as the case may be) (i) the Severance Amount (defined in Section 9(b)), payable in 12 equal monthly installments on the applicable monthly anniversaries of the Date of Termination; (ii) a payment, payable on the 60th day following the Date of Termination equal to the product of (x) the excess of the monthly COBRA premium required for Executive to continue health insurance coverage at the level in effect as of the Date of Termination over the employee premium Executive would be required to pay for such coverage were Executive still actively employed by Employer (each determined as of the Date of Termination) multiplied by (y) 12 (or, if the Date of Termination occurs during the Protected Period other than due to death or Disability, 24); and (iii) a lump sum cash payment, payable within five days following such Date of Termination, of an amount equal to any earned but unpaid Base Salary or bonus (in the case of an annual bonus, such payment may be made on the date annual bonuses for the applicable year are to be made generally, if such year ended prior to the Date of Termination but such general payment date is to occur subsequent to the fifth day following the Date of Termination) due to Executive in respect of periods through the Date of Termination plus accrued vacation in accordance with Employer’s vacation policy - subject to all required deductions and withholdings (the amounts due pursuant to this clause (iii), the “Accrued Amounts”). The amounts set forth in Section 9(a)(i)-(ii) shall be payable if and only if Executive shall have executed on or before the 50th day following the Date of Termination, and not subsequently revoked, a mutual release and covenant agreement substantially in the form set forth as Exhibit IV (the “Release Agreement”). For the avoidance of doubt, in the event that Executive is willing to execute the Release Agreement and the Company is not, the Company shall not be required to sign the Release Agreement, but, so long as Executive timely delivers an executed Release Agreement, the amounts set forth in Section 9(a)(i)-(ii) shall be payable to Executive. In the event Executive does not timely execute (or revokes) the Release Agreement, Executive shall repay to Employer, within five days following the 60th day following the Date of Termination, any payments previously made to Executive pursuant to Section 9(a)(i). For purposes of this Section 9, if Executive’s employment is terminated without Cause or by Executive for Good Reason prior to a Change in Control but proximate to, or following, Employer’s (as defined in the Plan) entry into an agreement to enter into a transaction that would constitute a Change in Control, and such termination (or the event giving rise to the Good Reason claim) is made at the direction of the third-party effectuating such Change in Control, such termination shall be deemed to have occurred during the Protected Period.

   **(b) Severance Amount.** For the purposes of Section 9(a), “Severance Amount” means an amount equal to:

   (i) if Executive’s employment is terminated by reason of Executive’s death or Disability, six months of Executive’s Base Salary (determined as of the Date of Termination);

   (ii) if, other than during the Protected Period, Executive’s employment is terminated by Employer without Cause or by Executive with Good Reason, one multiplied by Executive’s Base Salary (determined as of the Date of Termination); or

   (iii) if, during the Protected Period, Executive’s employment is terminated by Employer without Cause or by Executive with Good Reason, two multiplied by Executive’s Base Salary (determined as of the Date of Termination).
(c) **Cause or By Executive Other than for Good Reason.** If Executive's employment is terminated by Employer for Cause or by Executive other than for Good Reason, then Employer shall pay Executive, within five days following such Date of Termination, in a lump sum cash payment, the Accrued Amounts (other than annual bonuses with respect to which Executive did not satisfy the continued service requirements of Section 6(b)).

(d) **Certain Reductions.** Anything in this Agreement to the contrary notwithstanding, in the event that the Accounting Firm (as defined below) determines that receipt of all Payments (as defined below) would subject Executive to the tax under Section 4999 of the Code, the Accounting Firm shall determine whether to reduce any of the Agreement Payments (as defined below) to Executive so that the Parachute Value (as defined below) of all Payments to Executive, in the aggregate, equals the applicable Safe Harbor Amount (as defined below). Agreement Payments shall be so reduced only if the Accounting Firm determines that Executive would have a greater Net After-Tax Receipt (as defined below) of aggregate Payments if the Agreement Payments were so reduced. If the Accounting Firm determines that Executive would not have a greater Net After-Tax Receipt of aggregate Payments if the Agreement Payments were so reduced, Executive shall receive all Agreement Payments to which Executive is entitled hereunder.

(i) If the Accounting Firm determines that the aggregate Agreement Payments to Executive should be reduced so that the Parachute Value of all Payments to Executive, in the aggregate, equals the applicable Safe Harbor Amount, Employer shall promptly give Executive notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 9(d) shall be binding upon Employer and Executive and shall be made as soon as reasonably practicable and in no event later than 15 days following the Date of Termination. For purposes of reducing the Agreement Payments to Executive so that the Parachute Value of all Payments to Executive, in the aggregate, equals the applicable Safe Harbor Amount, only Agreement Payments (and no other Payments) shall be reduced. The reduction contemplated by this Section 9(d), if applicable, shall be made by reducing payments and benefits (to the extent such amounts are considered Payments) under the following sections in the following order: (i) Section 9(a)(i); (ii) Section 9(a)(ii); and (iii) Section 9(a)(iii).

(ii) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by Employer to or for the benefit of Executive pursuant to this Agreement that should not have been so paid or distributed (each, an “Overpayment”) or that additional amounts that will have not been paid or distributed by Employer to or for the benefit of Executive pursuant to this Agreement could have been so paid or distributed (each, an “Underpayment”), in each case consistent with the calculation of the applicable Safe Harbor Amount hereunder. In the event that the Accounting Firm, based on the assertion of a deficiency by the Internal Revenue Service against Employer or Executive which the Accounting Firm believes has a high probability of success, determines that an Overpayment has been made, any such Overpayment paid or distributed by Employer to or for the benefit of Executive pursuant to this Agreement could have been so paid or distributed (each, an “Underpayment”), in each case consistent with the calculation of the applicable Safe Harbor Amount hereunder. In the event that the Accounting Firm, based on the assertion of a deficiency by the Internal Revenue Service against Employer or Executive which the Accounting Firm believes has a high probability of success, determines that an Overpayment has been made, any such Overpayment paid or distributed by Employer to or for the benefit of Executive pursuant to this Agreement could have been so paid or distributed (each, an “Underpayment”), in each case consistent with the calculation of the applicable Safe Harbor Amount hereunder. In the event that the Accounting Firm, based on controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by Employer to or for the benefit of Executive, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.
In connection with making determinations under this Section 9(d), the Accounting Firm shall take into account the value of any reasonable compensation for services to be rendered by Executive before or after the applicable transaction giving rise to application of Section 4999 of the Code, including any noncompetition provisions that may apply to Executive (whether set forth in this Agreement or otherwise), and Employer shall cooperate in the valuation of any such services, including any noncompetition provisions.

All fees and expenses of the Accounting Firm in implementing the provisions of this Section 9(d) shall be borne by Employer.

The following terms shall have the following meanings for purposes of this Section 9(d).

1. "Accounting Firm" shall mean a nationally recognized certified public accounting firm (which accounting firm shall in no event be the accounting firm for the entity seeking to effectuate such change of control) or other professional services organization that is a certified public accounting firm recognized as an expert in determinations and calculations for purposes of Section 280G of the Code that is selected by Employer (as it exists prior to a change of control) and reasonably acceptable to Executive for purposes of making the applicable determinations hereunder.

2. "Agreement Payment" shall mean a Payment paid or payable pursuant to this Agreement.

3. "Net After-Tax Receipt" shall mean the Present Value of a Payment net of all taxes imposed on Executive with respect thereto under Sections 1 and 4999 of the Code and under applicable state, local, and foreign laws, determined by applying the highest marginal rate under Section 1 of the Code and under state, local, and foreign laws that applied to Executive’s taxable income for the immediately preceding taxable year, or such other rate as such Executive shall certify, in Executive’s sole discretion, as likely to apply to Executive in the relevant tax year.

4. "Parachute Value" of a Payment shall mean the present value as of the date of the change in control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2) of the Code, as determined by the Accounting Firm for purposes of determining whether and to what extent the excise tax under Section 4999 of the Code will apply to such Payment.

5. A "Payment" shall mean any payment, benefit or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of Executive, whether paid or payable pursuant to this Agreement or otherwise.

6. "Present Value" of a Payment shall mean the economic present value of a Payment as of the date of the change in control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

7. "Safe Harbor Amount" means (x) 3.0 times Executive’s “base amount,” within the meaning of Section 280G(b)(3) of the Code, minus (y) $1.00.

Executive shall not be required to mitigate amounts payable pursuant to Section 9 of this Agreement by seeking other employment or otherwise, nor shall such payments be reduced on account of any
11. **Confidentiality, Non-Compete, and Non-Solicitation**

   (a) **Non-Disclosure and Non-Use of Confidential Information.** Executive shall not disclose any Employer Confidential Information (as defined below) to any third party (other than accountants, lawyers and other third parties engaged by and working at the behest of Employer) without the specific written consent of Employer and shall use Employer Confidential Information solely for the benefit of Employer. Following the termination of Executive’s employment with Employer (regardless of whether termination is voluntary or involuntary and with or without cause), Executive will not, without the written consent of Employer, use, disclose, reproduce, or distribute any Employer Confidential Information.

   (b) **Definition of Employer Confidential Information.** For purposes of this Agreement, “Employer Confidential Information” shall mean all information, regardless of its form or format, about Employer, its customers and employees that is not readily accessible to the public and not a matter of common knowledge in Employer’s business trade or industry and that is disclosed to or learned by Executive as a direct or indirect consequence of or through Executive’s employment with Employer — about Employer, its parents or subsidiaries, including information about Employer’s technology, finances, business methods, plans, operations, services, products and processes (whether existing or contemplated), or any of its executives, clients, agents or suppliers, information relating to software programs, source codes or object codes; computer systems; computer systems analyses; testing results; flow charts and designs; product specifications and documentation; user documentation; sales plans; sales records; sales literature; customer lists and files; research and development projects or plans; marketing and merchandising plans and strategies; pricing strategies; price lists; sales or licensing terms and conditions; consulting sources; supply and service sources; procedure or policy manuals; legal matters; financial statements; financing methods; financial projections; and the terms and conditions of business arrangements with its parent, clients, suppliers, banks, or other financial institutions.

   (c) **Covenant Not To Compete.** In consideration of Employer’s provision of Employer Confidential Information and the consideration payable to Executive pursuant to Sections 9(a)-(c), Executive hereby agrees that during employment and for a period of two years thereafter (the “Restricted Period”) (other than on behalf of Employer or its affiliates), Executive shall not in any way, within the Restricted Area, directly or indirectly, engage in, provide services to or otherwise become associated with any business enterprise, whether conducted as a corporation, partnership, limited liability company, sole proprietorship, voluntary association, joint venture or otherwise, and whether such association is as an owner, principal, proprietor, partner, associate, investor, joint venturer, stockholder, director, officer, employee, agent, representative, consultant, lender, financial intermediary, volunteer or otherwise if such business enterprise is a Competing Business (as defined below); provided, however, that mere ownership of securities having no more than one percent of the outstanding voting power of any Competing Business listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this Section 11(c) so long as Executive otherwise complies with the terms of this provision.

   “Restricted Area” shall mean each and every current market throughout the United States in which Employer conducts business. The term “Restricted Area” shall also include any potential markets that Executive is directly or indirectly involved in helping develop on behalf of Employer during the 12 months immediately preceding Executive’s termination of employment. The term “Competing Business” shall have the same definition as set forth in Section (d) below.

   (d) **Non-Solicitation of Customers.** Executive hereby agrees that, during the Restricted Period (other than on behalf of Employer or its affiliates), Executive shall not in any way directly or indirectly, for the purpose of conducting or engaging in a Competing Business:
(i) solicit any business from, or attempt to sell any products or services, or to call upon or solicit any customer or client of Employer then-existing, or any Past customer of Employer, or any affiliate of Employer that Executive had direct or indirect contact while employed with Employer;

(ii) assist, cooperate or encourage any third party to do any of the foregoing.

For purposes of this Section 11(c) and (d), the term “Past” customer or “Past” licensee shall refer to any former customer or licensee of Employer or any affiliate within one year of their having ceased to be a customer or licensee of Employer or any affiliate. “Competing Business” means any business which designs, develops, programs, publishes, manufactures, prepares, promotes, markets, sells, licenses, leases, distributes (including via the Internet) or maintains software products or systems for use by apartment owners or managers where such products, systems or services are then in competition with services rendered by Employer or with the products or systems designed, developed, programmed, published, manufactured, prepared, promoted, marketed, sold, licensed, leased, distributed or maintained by Employer. Without limitation, the business of providing property management software and related services (including yield and revenue management software and related services) shall be considered to be a Competing Business.

The foregoing notwithstanding, for purposes of this definition and this Section 11, Executive's development, marketing, ownership, license, commercialization, maintenance and support of that certain software application identified on Exhibit V hereto and derivatives thereof (the “Software”) and those certain Contracts identified on Exhibit VI hereto as well as new contracts not otherwise resulting in a competing relationship (the “Contracts”) shall not be deemed to be a violation of this Section 11; provided, however, that Executive, either on his own behalf or through a distributor, reseller, agent or other channel of distribution, shall not design, develop, program, publish, manufacture, prepare, promote, market, sell, license, lease, distribute (including via the Internet) or maintain or enhance the Software to import unit level or resident ledger information from any multifamily property management system ("Import Functionality"). Executive covenants to include the foregoing restriction in any agreement (written or oral) whereby he transfers or licenses any right, title or interest in or to the Software to any third party. In the event any third party (including, without limitation, a licensee) requests Executive to design, develop, publish, manufacture, prepare, promote, market, sell, license, lease, distribute (including via the Internet) or maintain or enhance the Software or any other software application to include Import Functionality, Executive shall promptly notify Employer and refer such third party to Employer. Employer acknowledges that the Software may incidentally duplicate floor plan rent and occupancy import functionality of certain MPF Research (an Employer division) software, but that this duplicative functionality shall not constitute a Competing Business hereunder provided unit level or resident ledger information is not imported.

(e) Non-Solicitation of Licensees. Executive hereby agrees that, during the Restricted Period (other than on behalf of Employer or its affiliates), Executive shall not in any way directly or indirectly, for the purpose of conducting or engaging in a Competing Business:

(i) solicit any business from, or attempt to sell any products or services, or to call upon or solicit any licensee of Employer then-existing, or any Past licensee of Employer, or any affiliate of Employer that Executive had direct or indirect contact while employed with Employer;

(ii) assist, cooperate or encourage any third party to do any of the foregoing.
For purposes of this Section 11(e), the term “Past” customer or “Past” licensee shall refer to any former customer or licensee of Employer within one year of their having ceased to be a customer or licensee of Employer.

(f) **Non-Interference with Employees.** Executive hereby agrees, during the Restricted Period, not to, directly or indirectly, solicit or induce any of Employer’s or any affiliate of Employer’s then-existing employees, representatives, consultants or agents to give up employment with or representation of Employer or any affiliate. If Employer terminates the employment or services of any such individual, Executive may thereafter hire such individual.

(g) **Non-Interference with Business Relationships.** Executive hereby agrees, during the Restricted Period, that Executive shall not, directly or indirectly, for the purpose of conducting or engaging in a Competing Business, utilize Employer Confidential Information to interfere with, impair, or adversely affect any contractual relationships or business relationships between Employer and any of the technology or distribution companies with whom Employer or any affiliate has strategic relationships.

(h) **Non-Disparagement.** Executive hereby agrees that during the Employment Period and at all times thereafter, Executive shall not disparage either orally or in writing Employer or any affiliate, their products or services, or their officers, directors, or employees. Employer hereby agrees that during the Employment Period and at all times thereafter it shall instruct its directors and officers not to disparage Executive orally or in writing. This Section 11(h) shall not be violated by truthful statements in response to legal process, testifying in any legal or administrative proceeding, or responding to inquiries or requests for information by any regulator or auditor.

(i) **Injunctive Relief.** Executive recognizes and agrees that the injury Employer will suffer in the event of a breach of this Section 11 may cause Employer irreparable injury that cannot adequately be compensated by monetary damages alone. Therefore, in the event of a breach of this Section 11 by Executive, or any attempted or threatened breach, Executive agrees that Employer, without limiting any legal or equitable remedies available to it, may be entitled to equitable relief by preliminary and permanent injunction or otherwise, without the necessity of posting any bond or undertaking, against Executive and/or the business enterprise with which Executive may have become associated, from any court of competent jurisdiction.

12. **Reasonableness of Restrictions.** Executive understands and acknowledges that Employer would not have entered into the Employment Agreement, unless and until it had secured from Executive assurance that Executive would become and remain, until the Date of Termination, as an executive of Employer in accordance with the terms and conditions hereof including the specific restriction on disclosure of confidential information in accordance with the terms of Section 11 hereof. Executive expressly acknowledges and agrees that the covenants and restrictive agreements contained in this Agreement are reasonable as to scope, location, and duration and that observation thereof will not cause Executive undue hardship or unreasonably interfere with Executive's ability to earn a livelihood and practice Executive's present skills and trades. Executive has consulted with legal counsel of Executive's own selection regarding the meaning of such covenants and restrictions, which have been explained to Executive's satisfaction.

13. **Successors; Binding Agreement.**

(a) **Employer’s Successors.** Employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its businesses and/or assets (“Transaction”) to assume and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform it if no such succession had taken place. Employer may honor the obligation set forth in the preceding sentence through execution in the course of consummating the Transaction of either a specific assignment and assumption agreement relating to the obligations set forth herein, or a general assignment and assumption agreement. Failure of Employer to obtain such assumption and agreement prior to the effectiveness of any such succession
shall be a material breach of a material provision of this Agreement. As used in this Agreement, the “Employer” shall mean Employer as hereinbefore defined and any successor to the business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 13 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) Executive’s Successors. This Agreement shall not be assignable by Executive. This Agreement and all rights of Executive hereunder shall inure to the benefit of and be enforceable by Executive’s personal or legal representatives, executors, administrators, successors, heirs, distributees, devises and legatees. If Executive should die while any amounts would still be payable to Executive hereunder if Executive had continued to live, all such amounts unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive’s devisee, legatee, or other designee or, if there be no such designee, to Executive’s estate.

14. Indemnification. To the fullest extent permitted by law, Employer shall indemnify Executive (including the advancement of legal, accounting and other expert expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys’ fees, incurred by Executive in connection with the defense of any lawsuit or other claim to which Executive is made a party by reason of performing Executive’s responsibilities as an officer or executive of Employer or any of its subsidiaries; except that, Employer shall have no such duty of indemnification with regard to claims or suits brought, for any reason, against Executive by any former employer of Executive.

15. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given either (a) when delivered to a national overnight delivery service or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed (i) in the case of notice to Employer, as set forth in the Preamble of this Agreement, attention of Employer’s Chief Executive Officer and Employer’s Chief Legal Officer and (ii) in the case of notice to Executive, to the address then current in Employer’s records, or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt, or (b) by e-mail to Employer e-mail address of (i) in the case of notice to Employer, Employer’s Chief Executive Officer and Employer’s Chief Legal Officer and (ii) in the case of notice to Executive, Executive. No notices may be given via facsimile transmission.

16. Severability. Should any term, condition, provision or part of this Agreement be found to be unlawful, invalid, illegal or unenforceable, that portion shall be deemed null and void and severed from the Agreement for all purposes, but such illegality, or invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining parts of this Agreement, and the remainder of the Agreement shall remain in full force and effect, unless such would be manifestly inequitable or would serve to deprive either party of a material part of what it bargained for in entering in this Agreement.

17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

18. Withholding. Notwithstanding any other provision of this Agreement, Employer may withhold from amounts payable under this Agreement all federal, state, local and foreign taxes that are required to be withheld by applicable laws or regulations.

19. Confidential Information and Invention Assignment. Executive shall execute and deliver a Confidential Information, Invention Assignment and Arbitration Agreement in the form attached as Exhibit VII hereto.

20. Outside Fees. Executive agrees and covenants not to solicit or receive, in connection with Executive’s employment with Employer, any income or other compensation from any third party doing business with Employer, including, without limitation, any supplier, client, customer, or executive of Employer.

21. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by Executive and an authorized officer of Employer. No waiver by any party hereto at any time of any breach by the other parties hereto of, or compliance with, any condition or provision of this Agreement to be performed by any such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. Any termination of Executive’s employment or of this Agreement shall have no effect on any continuing obligations arising under this Agreement, including without
limitation, the right of Executive to receive payments pursuant to Section 9 hereof and the obligations of Executive described in Section 11 hereof.

22. **Applicable Law, Venue, Jurisdiction and Arbitration.** This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Texas, or U.S. federal law when applicable and supreme (without regard to the principles of conflicts of law). Any action or proceeding concerning, related to, regarding, or commenced in connection with the Agreement must be brought in a state or federal court located in Dallas, Texas, and the parties to the Agreement hereby irrevocably submit to the personal jurisdiction of such courts and waive any objection they may now or hereafter have as to the venue of any such action or proceeding brought in any such court, or that any such court is an inconvenient forum.

(a) **Arbitration Option.** Either party shall also have the option to submit any disputes between Executive (and Executive’s attorneys, successors, and assigns) and Employer (and its Affiliates, shareholders, directors, officers, employees, agents, successors, attorneys, and assigns) relating in any manner whatsoever to Executive’s employment or termination thereof by either party, including, without limitation, all disputes arising under this Agreement (“Arbitrable Claims”), to binding arbitration in Denton County, Texas, pursuant to the rules of the American Arbitration Association and the arbitration rules set forth in Texas Code of Civil Procedure (the “Rules”). The arbitrator shall administer and conduct any arbitration in accordance with Texas law, including the Texas Code of Civil Procedure, or U.S. federal law when applicable and supreme. To the extent that the AAA Employment Rules conflict with Texas or U.S. federal law, Texas or U.S. federal law shall take precedence. All persons and entities specified in this Section (other than Employer and Executive) shall be considered third-party beneficiaries of the rights and obligations created by this Section on Arbitration. The decision of the Arbitrator shall be final and binding on the parties and judgment upon the award may be entered in any of the aforementioned courts having jurisdiction over this Agreement.

(b) **Arbitrable Claims.** Arbitrable Claims shall include, but are not limited to, contract (express or implied) and tort claims of all kinds, as well as all claims based on any federal, state, or local law, statute, or regulation, excepting only claims under applicable workers’ compensation law and unemployment insurance claims. By way of example and not in limitation of the foregoing, Arbitrable Claims shall include (to the fullest extent permitted by law) any claims asserting wrongful termination, harassment, breach of contract, breach of the covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, defamation, invasion of privacy, and claims related to disability. The parties shall be eligible to recover in arbitration any and all types of relief that would otherwise be available to them if they brought their claims in a judicial forum. Executive understands that this Agreement does not prohibit Executive from pursuing an administrative claim with a local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, the National Labor Relations Board, or the Workers’ Compensation Appeals Board. This Agreement does, however, preclude Executive from pursuing court action regarding any such claim, except as permitted by law.

(c) **Procedure.**

(i) **Initiation.** Arbitration of Arbitrable Claims shall be in accordance with the Employment Rules and Mediation Procedures of the American Arbitration Association as amended (“AAA Employment Rules”), as augmented in this Agreement. Arbitration shall be initiated as provided by the AAA Employment Rules, although the written notice to the other party initiating arbitration shall also include a statement of the claim(s) asserted and the facts upon which the claim(s) are based. Either party may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award.
(ii) **Binding Arbitration.** Arbitration shall be final and binding upon the parties and shall be the exclusive forum for all Arbitrable Claims, except for any appeals or enforcement of an arbitration award. Should one party select arbitration pursuant to this Agreement, then no other party shall initiate or prosecute any lawsuit or administrative action on overlapping issues of law or fact, unless the rights or obligations of third parties not subject to being determined in such arbitration are affected or must be determined in order for there to be a complete determination of the controversy, in which event the arbitration may be stayed or dismissed pending determination of the parties’ rights in a different forum where appropriate third parties are joined.

(iii) **Venue.** All arbitration hearings under this Agreement shall be conducted in Denton County, Texas.

(iv) **Arbitrator’s Decision Must Be In Writing.** The decision of the arbitrator shall be in writing and shall include a statement of the essential conclusions and findings upon which the decision is based.

(d) **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE ANY RIGHTS THEY MAY HAVE TO TRIAL BY JURY IN REGARD TO ARBITRABLE CLAIMS, INCLUDING WITHOUT LIMITATION ANY RIGHT TO TRIAL BY JURY AS TO THE MAKING, EXISTENCE, VALIDITY, OR ENFORCEABILITY OF THE AGREEMENT TO ARBITRATE.

(e) **Arbitrator Selection and Authority.** All disputes involving Arbitrable Claims shall be decided by a single arbitrator. The arbitrator shall be selected by mutual agreement of the parties within 30 days of the effective date of the notice initiating the arbitration. If the parties cannot agree on an arbitrator, then the complaining party shall notify the AAA and request selection of an arbitrator in accordance with the AAA Employment Rules. The arbitrator shall have only such authority to award equitable relief, damages, costs, and fees as a court would have for the particular claim(s) asserted. The arbitrator shall have exclusive authority to resolve all Arbitrable Claims, including, but not limited to, whether any particular claim is arbitrable and whether all or any part of this Agreement is void or unenforceable.

(f) **Arbitration Fees.** Employer shall pay the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the neutral arbitrator, but excluding an initial filing fee of $100 (payable to AAA), and counsel fees or witness fees or other expenses incurred by a party for Executive’s own benefit. If the allocation of responsibility for payment of the arbitrator’s fees would render the obligation to arbitrate unenforceable, the parties authorize the arbitrator to modify the allocation as necessary to preserve enforceability.

(g) **Confidentiality.** All proceedings and all documents prepared in connection with any Arbitrable Claim shall be confidential and, unless otherwise required by law, the subject matter thereof shall not be disclosed to any person other than the parties to the proceedings, their counsel, witnesses and experts, tax and financial advisors and immediate family members of Executive, the arbitrator, and, if involved, the court and court staff. All documents filed with the arbitrator or with a court shall be filed under seal. The parties shall stipulate to all arbitration and court orders necessary to effectuate fully the provisions of this subsection concerning confidentiality.

(h) **Continuing Obligations.** The rights and obligations of Executive and Employer set forth in this Section on Arbitration shall survive the termination of Executive’s employment and the expiration of this Agreement.

23. **Section 409A.**

(a) Notwithstanding anything to the contrary in this Agreement, if Executive is a “specified employee” within the meaning of Section 409A of the Code and the final regulations and any guidance promulgated thereunder (“Section 409A”) at the time of Executive’s termination (other than due to death), and the severance payable to Executive, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits which may be considered deferred compensation under Section 409A (together, the “Deferred Compensation Separation Benefits”) will not and could not under any circumstances, regardless of when such termination occurs, be paid in full by March 15 of the year following Executive’s termination,
then only that portion of the Deferred Compensation Separation Benefits which do not exceed the Section 409A Limit (as defined below) may be made within the first six months following Executive's termination of employment in accordance with the payment schedule applicable to each payment or benefit (and such portion shall be payable within such period only to the extent permissible without resulting in tax under Section 409A). For these purposes, each severance payment is hereby designated as a separate payment and will not collectively be treated as a single payment. Any portion of the Deferred Compensation Separation Benefits that cannot be paid during such six-month period due to Section 409A shall accrue and, to the extent such portion of the Deferred Compensation Separation Benefits would otherwise have been payable within such six-month period, will become payable on the first payroll date that occurs on or after the date six months and one day following the date of Executive’s termination. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive's termination but prior to the six-month anniversary of Executive’s termination, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive’s death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit.

(b) The foregoing provision is intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. Employer and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

(c) For purposes of this Agreement, “Section 409A Limit” will mean the lesser of two times: (A) Executive’s annualized compensation based upon the annual rate of pay paid to Executive during Employer's taxable year preceding Employer's taxable year of Executive’s termination of employment as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (B) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive’s employment is terminated.

24. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, letters of intent, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by an officer, executive or representative of any party hereto; and any prior agreement of the parties hereto in respect to the subject matter contained herein, including the Prior Agreement. Executive acknowledges and agrees that no officer, executive or representative of Employer is authorized to offer any term or condition of employment which is in addition to or different than those set forth in this Agreement.

[Signature Page Follows]
IN WITNESS WHEREOF, the parties, intending to be legally bound, have executed this Agreement as of the Effective Date.

REALPAGE, INC.

By: /s/ Stephen T. Winn
Name: Stephen T. Winn
Title: Chief Executive Officer

EXECUTIVE:

/s/ Andrew Blount
Andrew Blount
REALPAGE, INC.

2010 EQUITY INCENTIVE PLAN

STOCK OPTION AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the RealPage, Inc. 2010 Equity Incentive Plan (the “Plan”) will have the same defined meanings in this Stock Option Award Agreement (the “Award Agreement”).

1. NOTICE OF STOCK OPTION GRANT

Participant Name: Andrew Blount

You have been granted an Option to purchase Common Stock of RealPage, Inc. (the “Company”), subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: To be determined
Date of Grant: To be determined
Vesting Commencement Date: To be determined
Exercise Price per Share: To be determined
Total Number of Shares Granted: 75,000
Total Exercise Price: To be determined
Type of Option: __ Incentive Stock Option  X Nonstatutory Stock Option
Term/Expiration Date: To Be Determined

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, this Option may be exercised, in whole or in part, in accordance with the following schedule:

Eight and one-third percent (8.33%) of the Shares subject to the Option shall vest each quarter beginning on the first day of the calendar quarter immediately following the vesting commencement date for twelve (12) consecutive calendar quarters so that the Option shall be fully vested on the first calendar day of the twelfth consecutive calendar quarter following the vesting commencement date, subject to Participant continuing to be a service provider of the Company or a parent or subsidiary of the Company through each such vesting date.
Change in Control: The foregoing notwithstanding and notwithstanding any contrary provision of the Plan, in the event a Change in Control occurs while Participant remains a service provider of the Company or a parent or subsidiary of the Company, the Option (or, if applicable, the qualifying Replacement Award (as defined below)) shall vest in full (x) upon such Change in Control, if no qualifying Replacement Award is provided, or (y) upon a termination of the employment of Participant within two years following such Change in Control, if such termination is by the Company without Cause (as defined in Participant’s Employment Agreement) or by Participant for Good Reason (as defined in Participant’s Employment Agreement). An award shall qualify as a Replacement Award if it satisfies the standards for substitution or assumption set forth in Section 15(c) of the Plan. For clarity, the Option shall not automatically vest upon a Change in Control if a qualifying Replacement Award is provided therefor.

Death and Disability: The foregoing notwithstanding and notwithstanding any contrary provision of the Plan, in the event of or upon Participant’s termination of service due to Death or Disability before all Shares subject to the Option have vested, then one hundred percent (100%) of the then unvested Shares subject to the Option shall vest upon Participant’s termination of service due to Death or Disability.

Termination Period:

This Option will be exercisable for three (3) months after Participant ceases to be a Service Provider, unless such termination is due to Participant’s death or Disability, in which case this Option will be exercisable for twelve (12) months after Participant ceases to be Service Provider. Notwithstanding the foregoing, in no event may this Option be exercised after the Term/Expiration Date as provided above and may be subject to earlier termination as provided in Section 14 of the Plan or Section 20 of Exhibit A hereto.

By Participant’s signature and the signature of the Company’s representative below, Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Stock Option Grant, attached hereto as Exhibit A, all of which are made a part of this document. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and Award Agreement. Participant further agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated above.
PARTICIPANT:             REALPAGE, INC.

  /s/ Andrew Blount       Stephen T. Winn
  Signature               By

Andrew Blount            Chairman, President & CEO
Print Name               Title
EXHIBIT A

TERMS AND CONDITIONS OF STOCK OPTION GRANT

a. **Grant of Option.** In exchange for the promises and representations made by the individual named in the Notice of Grant attached as Part I of this Award Agreement (the “Participant”), the Company hereby grants to the Participant an option (the “Option”) to purchase the number of Shares, as set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the “Exercise Price”), subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19 of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan will prevail.

If designated in the Notice of Grant as an Incentive Stock Option (“ISO”), this Option is intended to qualify as an ISO under Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”). However, if this Option is intended to be an ISO, to the extent that it exceeds the $100,000 rule of Code Section 422(d) it will be treated as a Nonstatutory Stock Option (“NSO”). Further, if for any reason this Option (or portion thereof) will not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event will the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

b. **Vesting Schedule.** Except as provided in Section 3, the Option awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

c. **Administrator Discretion.** The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

d. **Exercise of Option.**

(a) **Right to Exercise.** This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Award Agreement.

(b) **Method of Exercise.** This Option is exercisable by delivery of an exercise notice, in the form attached as Exhibit B (the “Exercise Notice”) or in a manner and pursuant to such procedures as the Administrator may determine, which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the “Exercised Shares”), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice will be completed by Participant and delivered to the Company. The Exercise Notice will be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares together with any applicable tax withholding. This Option will be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by such aggregate Exercise Price.

e. **Method of Payment.** Payment of the aggregate Exercise Price will be by any of the following, or a combination thereof, at the election of Participant.

(a) cash;

(b) check;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or
(d) surrender of other Shares which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company.

f. Tax Obligations.

(a) Withholding Taxes. Notwithstanding any contrary provision of this Award Agreement, no certificate representing the Shares will be issued to Participant, unless and until satisfactory arrangements (as determined by the Administrator) will have been made by Participant with respect to the payment of income, employment and other taxes which the Company determines must be withheld with respect to such Shares. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any tax withholding obligations by reducing the number of Shares otherwise deliverable to Participant. If Participant fails to make satisfactory arrangements for the payment of any required tax withholding obligations hereunder at the time of the Option exercise, Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver Shares if such withholding amounts are not delivered at the time of exercise.

(b) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Grant Date, or (ii) the date one (1) year after the date of exercise, Participant will immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(c) Code Section 409A. Under Code Section 409A, an option that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the “IRS”) to be less than the Fair Market Value of a Share on the date of grant (a “Discount Option”) may be considered “deferred compensation.” A Discount Option may result in (i) income recognition by Participant prior to the exercise of the option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The Discount Option may also result in additional state income, penalty and interest charges to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the Date of Grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Participant will be solely responsible for Participant’s costs related to such a determination.

g. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

h. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBEHUNDER AND THE VESTING SCHEDULE SET FORTH HEREFIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT’S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT’S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.
i. **Address for Notices.** Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company, in care of its Chief Legal Officer at RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007, or at such other address as the Company may hereafter designate in writing.

j. **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

k. **Binding Agreement.** Subject to the limitation on the transferability of this grant contained herein, this Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

l. **Participant Covenants.**

   a. **Non-Competition/Non-Interference with Customers and Licenses.** Participant hereby agrees that, during the term of employment and for a period of one (1) year thereafter (the "**Restricted Period**") (other than on behalf of the Company or its affiliates), Participant shall not in any way directly or indirectly, perform work for or on behalf of a Competing Business that in any way relates to, or is similar to, the work Participant has performed for the Company. During the Restricted Period, Participant further agrees not to call upon, solicit, respond to, advise or otherwise or attempt to do business with any then-existing or Past customer or licensee of the Company or any affiliate of the Company or solicit, induce, recruit or encourage any then-existing or Past customer or licensee of the Company or any affiliate to limit, curtail, or stop doing business with the Company or any affiliate, or to attempt to divert business directed by such parties to the Company or any affiliate to any other person or entity, or assist, cooperate or encourage any third party to do any of the foregoing. For purposes of this Section 12(a), the term "**Past**" customer or "**Past**" licensee shall refer to any former customer or licensee of the Company or any affiliate within one (1) year of their having ceased to be a customer or licensee of the Company or any affiliate. "**Competing Business**" specifically includes, but is not limited to the companies Yardi Systems, Inc., MRI Software, LLC and Property Solutions International, Inc., and is defined as the business of developing, designing, publishing, marketing, offering, licensing, maintaining or distributing databases or software applications, or providing services, that are competitive with products or services of the Company and are generally used for the purpose of managing or supporting the operation of, screening, leasing, pricing, promotion or maintenance of multi-tenant or single family housing facilities or the units at such facilities, storage facilities and related properties, call center/contact management or real estate or other market segments served from time-to-time by the Company's business. Without limitation of the foregoing, multi-tenant real estate property management applications, data bases and services shall include software used in screening potential tenants, performing property management or accounting functions, providing pricing information or performing market research, communicating via the Internet with applicants, residents, service providers, suppliers and advertising providers, facilitating or providing billing, payments and cash management services, providing systems to control costs, providing energy management or convergent billing services and utility management services including, without limitation, infrastructure services, and producing, soliciting and/or assisting with the solicitation of insurance products or services or developing and providing other risk mitigation systems, or developing, marketing or selling single family or a multi-tenant vendor network solution, the provision of software applications, databases and other products and services for management and marketing for the senior living market, including without limitation, facilities for independent living, assisted living, CCRC, nursing home, hospice and palliative care, the provision of data center services, cloud services, or other similar shared computer resources or information technology services specifically designed for or marketed for use by owners or managers of real property and related facilities; provided, however, that under no circumstances shall accepting employment with a Past Customer constitute engaging in a "**Competing Business.**" "**Company Confidential Information**" shall mean all information, regardless of its form or format, about the Company, its customers and employees that is not readily accessible to the public and not a matter of common knowledge in the Company’s business trade or industry and that is disclosed to or learned by Employee as a direct or indirect consequence of or through Employee’s employment with the Company, about the Company, its parents, subsidiaries or affiliates, including, without limitation, the Company’s technical knowledge and business operations, including, by way of illustration, the Company’s existing and contemplated products, trade secrets, formulas, patents, models, compilations, information relating to software programs, source codes or object codes, computer systems, computer systems analyses, testing results, flow charts and designs, product specifications and documentation, user documentation business and financial methods or practices, plans, pricing, marketing, merchandising and selling techniques, plans, strategies and information,
customer lists, supplier and service lists, confidential information relating to the Company’s policy and/or business strategy, or any of its executives, clients, agents or suppliers, sales plans, sales records, sales literature, customer files, research and development projects or plans, sales or licensing terms and conditions, consulting sources, procedure or policy manuals, legal matters, financial statements, financing methods, financial projections, and the terms and conditions of business arrangements with its parent, clients, suppliers, banks, or other financial institutions.

b. Non-Interference with Employees. Participant hereby agrees, during the Restricted Period, not to, either directly or indirectly, solicit, induce, recruit or encourage any employee of the Company or any affiliate to leave their employment, or take away such employees, or attempt to solicit, induce, recruit, encourage or take away employees of the Company or any affiliate, either for Participant or for any other person or entity, or otherwise hire as an employee or a consultant, for Participant or any other person or entity, any such employee of the Company or any affiliate.

c. Non-Interference with Business Relationships. Participant hereby agrees, during the Restricted Period, that Participant shall not, directly or indirectly, take away or interfere with any contractual relationships or business relationships between the Company and any of the technology or distribution companies with whom the Company or any affiliate has strategic relationships.

d. Non-Disparagement. Participant hereby agrees, that during the Restricted Period, Participant shall not disparage either orally or in writing the Company or any affiliate, their products or services, or their officers, directors, or employees.

e. Injunctive Relief. Participant recognizes and agrees that the injury the Company will suffer in the event of a breach of this Section 12 may cause the Company irreparable injury that cannot adequately be compensated by monetary damages alone. Therefore, in the event of a breach of this Section 12 by Participant, or any attempted or threatened breach, Participant agrees that the Company, without limiting any legal or equitable remedies available to it, may be entitled to equitable relief by preliminary and permanent injunction or otherwise, without the necessity of posting any bond or undertaking, against Participant and/or the business enterprise with which Participant may have become associated, from any court of competent jurisdiction.

f. Reasonableness of Restrictions. Participant understands and acknowledges that Company would not have granted stock options to Participant without Participant’s agreement to comply with the covenants set forth in Section 12 hereof. Participant expressly acknowledges and agrees that the covenants and restrictive agreements contained in this Award Agreement are reasonable as to scope, location, and duration and that the observation thereof will not cause Participant undue hardship or unreasonably interfere with Participant’s ability to earn a livelihood and practice Participant’s present skills and trades. Participant has consulted with legal counsel of Participant’s selection regarding the meaning of such covenants and restrictions, which have been explained to Participant’s satisfaction.

g. Remedies. In the event of a breach of the covenants contained in Section 12 hereof, the periods provided in Section 12 shall be tolled (i.e., such periods shall not run during a breach of any of these covenants) during the time of such violation, and Participant agrees that the Company shall be entitled to and a court may order an extension of time of the Restricted Period commensurate with the period of Participant’s breach. In the event of such a breach, Participant further agrees that (a) any and all proceeds, funds, payments and proprietary interests, of every kind and description, arising from, or attributable to, such breach shall be the sole and exclusive property of the Company and (b) the Company shall be entitled to recover any additional actual damages incurred as a result of such breach.

h. Legal Construction. The parties hereto further agree that if at any time it shall be determined that the restrictions contained in Section 12 is unreasonable as to time or area, or both, by any court of competent jurisdiction, the Company shall be entitled to enforce this Agreement for such period of time and within such area as may be determined to be reasonable by such court. It is the intent of the parties hereto that the provisions hereof be enforceable to the fullest extent permitted by applicable law. Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender and words, terms and titles (including terms defined herein) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise expressly requires.
Attorneys' Fees. If any action at law or in equity, including any action for declaratory or injunctive relief, is brought to enforce or interpret the provisions of this Section 12, the Company shall be entitled to recover reasonable attorneys' fees from Participant, should Company prevail in whole or in part therein, which fees may be set by the court in the trial of such action, or may be enforced in a separate action brought for that purpose, and which fees shall be in addition to any other relief which may be awarded.

Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority. Assuming such compliance, for income tax purposes the Exercised Shares will be considered transferred to Participant on the date the Option is exercised with respect to such Exercised Shares.

Plan Governs. This Award Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Award Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Award Agreement will have the meaning set forth in the Plan.

Administrator Authority. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to Options awarded under the Plan or future options that may be awarded under the Plan by electronic means or request Participant’s consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection to this Option.

Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read and understood a description of
the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

1. **Forfeiture Events.** Participant acknowledges and agrees that if Participant’s status as a Service Provider terminates and Participant engages in Acts Harmful to the Interest of the Company (as defined herein) within one (1) year after the termination, as determined by the Administrator, then, to the extent permitted by applicable law, (i) the Participant will immediately forfeit any right to exercise this Option, whether vested or unvested; and (ii) Participant will (A) immediately forfeit any right to, and shall, within three (3) business days after receiving a written demand therefor from the Company, return and surrender to the Company for cancellation all shares of the Company's capital stock received by the Participant pursuant to any exercise of this Option occurring within six (6) months before or after the date of the termination of Participant’s status as a Service Provider, and (B) immediately forfeit any right to, and shall, within three (3) business days after receiving a written demand therefor from the Company, pay to the Company—either directly or, at the Company’s discretion, through a payroll deduction from any amounts owed by the Company to Participant— a cash payment equal to the value of all proceeds received by Participant within six (6) months before or after the date of the termination of Participant’s status as a Service Provider from the sale of any shares of the Company’s capital stock originally acquired by Participant pursuant to any exercise of this Option, less the aggregate exercise price paid by Participant for the shares of capital stock from which such proceeds are derived. If a payroll deduction is insufficient to pay the Company the value of all such proceeds received by Participant, then Participant shall be required to make a cash payment to the Company in the amount of any deficiency. In the case of the surrender of shares of the Company’s capital stock hereunder, the Company shall, within three (3) business days of Participant’s surrender and cancellation of such shares of capital stock, refund to Participant the amount of the exercise price paid by Participant to the Company for the shares of capital stock so surrendered and cancelled.

For purposes of this provision, “Acts Harmful to the Interest of the Company” shall mean (a) accepting employment with or serving in any other capacity for any business entity that is in competition with the Company; (b) the breach of any of the covenants set forth in Section 12 above; or (c) disclosing any trade secret or confidential information of the Company under circumstances that are injurious to the Company.

2. **Governing Law.** This Award Agreement will be governed by the laws of the State of Texas, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Option or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Texas, and agree that such litigation will be conducted in the courts of Denton County, Texas, or the federal courts for the United States for the Northern District of Texas, and no other courts, where this Option is made and/or to be performed.
REALPAGE, INC.
2010 EQUITY INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the RealPage, Inc. 2010 Equity Incentive Plan (the “Plan”) will have the same defined meanings in this Restricted Stock Award Agreement (the “Award Agreement”).

2. NOTICE OF RESTRICTED STOCK GRANT

Participant Name: Andrew Blount

You have been granted the right to receive an Award of Restricted Stock, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

<table>
<thead>
<tr>
<th>Grant Number:</th>
<th>To be determined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Grant:</td>
<td>To be determined</td>
</tr>
<tr>
<td>Vesting Commencement Date:</td>
<td>To be determined</td>
</tr>
<tr>
<td>Total Number of Shares Granted:</td>
<td>25,000</td>
</tr>
</tbody>
</table>

**Vesting Schedule:**

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock will vest and the Company’s right to reacquire the Restricted Stock will lapse in accordance with the following schedule:

Eight and one-third percent (8.33%) of the Shares of Restricted Stock shall vest each quarter, beginning on the first day of the calendar quarter immediately following the vesting commencement date, for twelve (12) consecutive calendar quarters so that the Restricted Stock shall be fully vested on the first calendar day of the twelfth consecutive calendar quarter following the vesting commencement date, subject to Participant continuing to be a service provider of the Company or a parent or subsidiary of the Company through each such vesting date.

**Change in Control:** The foregoing notwithstanding and notwithstanding any contrary provision of the Plan, in the event a Change in Control occurs while Participant remains a service provider of the Company or a parent or subsidiary of the Company, the Shares of Restricted Stock (or, if applicable, the qualifying Replacement Award (as defined below)) shall vest in full (x) upon such Change in Control, if no qualifying Replacement Award is provided, or (y) upon a termination of the employment of Participant within two years following such Change in Control, if such termination is by the Company without Cause (as defined in Participant’s Employment Agreement) or by Participant for Good Reason (as defined in Participant’s Employment Agreement). An award shall qualify as a Replacement Award if it satisfies the standards for substitution or assumption set forth in Section 15(c) of the Plan. For clarity, the Shares of Restricted Stock shall not automatically vest upon a Change in Control if a qualifying Replacement Award is provided therefor.

**Death or Disability:** The foregoing notwithstanding and notwithstanding any contrary provision of the Plan, in the event of or upon Participant’s termination of service due to Death or Disability before all Shares of Restricted Stock have vested, then one hundred percent (100%) of the then unvested Shares of Restricted Stock shall vest upon Participant’s termination of service due to Death or Disability.
By Participant’s signature and the signature of the representative of RealPage, Inc. (the “Company”) below, Participant and the Company agree that this Award of Restricted Stock is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Grant, attached hereto as Exhibit A, all of which are made part of this document. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated above.

PARTICIPANT:            REALPAGE, INC.

/s/ Andrew Blount     /s/ Stephen T. Winn
Signature            By
Andrew Blount        Chairman, President & CEO
Print Name            Title
EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK GRANT

1. **Grant of Restricted Stock.** In exchange for the promises and representations made by the individual named in the Notice of Grant attached as Part I of this Award Agreement (the “Participant”), the Company hereby grants to the Participant under the Plan for past services and as a separate incentive in connection with his or her services and not in lieu of any salary or other compensation for his or her services, an Award of Shares of Restricted Stock, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19 of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan will prevail.

2. **Escrow of Shares.**

   (a) All Shares of Restricted Stock will, upon execution of this Award Agreement, be delivered and deposited with an escrow holder designated by the Company (the “Escrow Holder”). The Shares of Restricted Stock will be held by the Escrow Holder until such time as the Shares of Restricted Stock vest or the date Participant ceases to be a Service Provider.

   (b) The Escrow Holder will not be liable for any act it may do or omit to do with respect to holding the Shares of Restricted Stock in escrow while acting in good faith and in the exercise of its judgment.

   (c) Upon Participant’s termination as a Service Provider for any reason, the Escrow Holder, upon receipt of written notice of such termination, will take all steps necessary to accomplish the transfer of the unvested Shares of Restricted Stock to the Company. Participant hereby appoints the Escrow Holder with full power of substitution, as Participant’s true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer the certificate or certificates evidencing such unvested Shares of Restricted Stock to the Company upon such termination.

   (d) The Escrow Holder will take all steps necessary to accomplish the transfer of Shares of Restricted Stock to Participant after they vest following Participant’s request that the Escrow Holder do so.

   (e) Subject to the terms hereof, Participant will have all the rights of a stockholder with respect to the Shares while they are held in escrow, including without limitation, the right to vote the Shares and to receive any cash dividends declared thereon.

   (f) In the event of any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares, the Shares of Restricted Stock will be increased, reduced or otherwise changed, and by virtue of any such change Participant will in his or her capacity as owner of unvested Shares of Restricted Stock be entitled to new or additional or different shares of stock, cash or securities (other than rights or warrants to purchase securities); such new or additional or different shares, cash or securities will thereupon be considered to be unvested Shares of Restricted Stock and will be subject to all of the conditions and restrictions which were applicable to the unvested Shares of Restricted Stock pursuant to this Award Agreement. If Participant receives rights or warrants with respect to any unvested Shares of Restricted Stock, such rights or warrants may be held or exercised by Participant, provided that until such exercise any such rights or warrants and after such exercise any shares or other securities acquired by the exercise of such rights or warrants will be considered to be unvested Shares of Restricted Stock and will be subject to all of the conditions and restrictions which were applicable to the unvested Shares of Restricted Stock pursuant to this Award Agreement. The Administrator in its absolute discretion at any time may accelerate the vesting of all or any portion of such new or additional shares of stock, cash or securities, rights or warrants to purchase securities or shares or other securities acquired by the exercise of such rights or warrants.
(g) The Company may instruct the transfer agent for its Common Stock to place a legend on the certificates representing the Restricted Stock or otherwise note its records as to the restrictions on transfer set forth in this Award Agreement.

3. Vesting Schedule. Except as provided in Section 4 below and Section 14 of the Plan, and subject to Section 5 below, the Shares of Restricted Stock awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Shares of Restricted Stock scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

4. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock will be considered as having vested as of the date specified by the Administrator.

5. Forfeiture upon Termination of Status as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, the balance of the Shares of Restricted Stock that have not vested at the time of Participant’s termination as a Service Provider for any reason will be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company upon the date of such termination and Participant will have no further rights thereunder. Participant will not be entitled to a refund of the price paid for the Shares of Restricted Stock, if any, returned to the Company pursuant to this Section 5. Participant hereby appoints the Escrow Agent with full power of substitution, as Participant’s true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer the certificate or certificates evidencing such unvested Shares to the Company upon such termination of service.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant’s designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant’s estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Withholding of Taxes. Notwithstanding any contrary provision of this Award Agreement, no certificate representing the Shares of Restricted Stock may be released from the escrow established pursuant to Section 2, unless and until satisfactory arrangements (as determined by the Administrator) will have been made by Participant with respect to the payment of income, employment and other taxes which the Company determines must be withheld with respect to such Shares, if any. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such tax withholding obligation, in whole or in part (without limitation) by (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the minimum amount required to be withheld, (c) delivering to the Company already vested and owned Shares having a Fair Market Value equal to the amount required to be withheld, or (d) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any tax withholding obligations by reducing the number of Shares otherwise deliverable to Participant. If Participant fails to make satisfactory arrangements for the payment of any required tax withholding obligations hereunder at the time any applicable Shares otherwise are scheduled to vest pursuant to Sections 3 or 4 (or Section 14 of the Plan), Participant will permanently forfeit such Shares and the Shares will be returned to the Company at no cost to the Company.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant or the Escrow Agent. Except as provided in Section 2,
after such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. **No Guarantee of Continued Service.** PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE SHARES OF RESTRICTED STOCK PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT’S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT’S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

10. **Address for Notices.** Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company, in care of its Chief Legal Officer at RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007, or at such other address as the Company may hereafter designate in writing.

11. **Grant is Not Transferable.** Except to the limited extent provided in Section 6, the unvested Shares subject to this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any unvested Shares of Restricted Stock subject to this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. **Participant Covenants.**

   a. **Non-Competition/Non-Interference with Customers and Licensees.**

   Participant hereby agrees that, during the term of employment and for a period of one (1) year thereafter (the “**Restricted Period**”) (other than on behalf of the Company or its affiliates), Participant shall not in any way directly or indirectly, perform work for or on behalf of a Competing Business that in any way relates to, or is similar to, the work Participant has performed for the Company. During the Restricted Period, Participant further agrees not to call upon, solicit, respond to, advise or otherwise do or attempt to do business with any then-existing or Past customer or licensee of the Company or any affiliate of the Company or solicit, induce, recruit or encourage any then-existing or Past customer or licensee of the Company or any affiliate to limit, curtail, or stop doing business with the Company or any affiliate, or to attempt to divert business directed by such parties to the Company or any affiliate to any other person or entity, or assist, cooperate or encourage any third party to do any of the foregoing. For purposes of this Section 12(a), the term “**Past**” customer or “**Past**” licensee shall refer to any former customer or licensee of the Company or any affiliate within one (1) year of their having ceased to be a customer or licensee of the Company or any affiliate. “**Competing Business**” specifically includes, but is not limited to the companies Yardi Systems, Inc., MRI Software, LLC and Property Solutions International, Inc., and is defined as the business of developing, designing, publishing, marketing, offering, licensing, maintaining or distributing databases or software applications, or providing services, that are competitive with products or services of the Company and are generally used for the purpose of managing or supporting the operation of, screening, leasing, pricing, promotion or maintenance of multi-tenant or single family housing facilities or the units at such facilities, storage facilities and related properties, call center/contact management or real estate or other market segments served from time-to-time by the Company’s business. Without limitation of the foregoing, multi-tenant real estate property management applications, data bases and services shall include software used in screening potential tenants, performing property management or accounting functions, providing pricing information or performing market research, communicating via the Internet with applicants, residents, service providers, suppliers and advertising providers, facilitating or providing billing, payments and cash management services, providing...
systems to control costs, providing energy management or convergent billing services and utility management services including, without limitation, infrastructure services, and producing, soliciting and/or assisting with the solicitation of insurance products or services or developing and providing other risk mitigation systems, or developing, marketing or selling single family or a multi-tenant vendor network solution, the provision of software applications, databases and other products and services for management and marketing for the senior living market, including without limitation, facilities for independent living, assisted living, CCRC, nursing home, hospice and palliative care, the provision of data center services, cloud services, or other similar shared computer resources or information technology services specifically designed for or marketed for use by owners or managers of real property and related facilities; provided, however, that under no circumstances shall accepting employment with a Past Customer constitute engaging in a "Competing Business." “Company Confidential Information” shall mean all information, regardless of its form or format, about the Company, its customers and employees that is not readily accessible to the public and not a matter of common knowledge in the Company’s business trade or industry and that is disclosed to or learned by Employee as a direct or indirect consequence of or through Employee’s employment with the Company, about the Company, its parents, subsidiaries or affiliates, including, without limitation, the Company’s technical knowledge and business operations, including, by way of illustration, the Company’s existing and contemplated products, trade secrets, formulas, patents, models, compilations, information relating to software programs, source codes or object codes, computer systems, computer systems analyses, testing results, flow charts and designs, product specifications and documentation, user documentation business and financial methods or practices, plans, pricing, marketing, merchandising and selling techniques, plans, strategies and information, customer lists, supplier and service lists, confidential information relating to the Company’s policy and/or business strategy, or any of its executives, clients, agents or suppliers, sales plans, sales records, sales literature, customer files, research and development projects or plans, sales or licensing terms and conditions, consulting sources, procedure or policy manuals, legal matters, financial statements, financing methods, financial projections, and the terms and conditions of business arrangements with its parent, clients, suppliers, banks, or other financial institutions.

b. Non-Interference with Employees. Participant hereby agrees, during the Restricted Period, not to, either directly or indirectly, solicit, induce, recruit or encourage any employee of the Company or any affiliate to leave their employment, or take away such employees, or attempt to solicit, induce, recruit, encourage or take away employees of the Company or any affiliate, either for Participant or for any other person or entity, or otherwise hire as an employee or a consultant, for Participant or any other person or entity, any such employee of the Company or any affiliate.

c. Non-Interference with Business Relationships. Participant hereby agrees, during the Restricted Period, that Participant shall not, directly or indirectly, take away or interfere with any contractual relationships or business relationships between the Company and any of the technology or distribution companies with whom the Company or any affiliate has strategic relationships.

d. Non-Disparagement. Participant hereby agrees, that during the Restricted Period, Participant shall not disparage either orally or in writing the Company or any affiliate, their products or services, or their officers, directors, or employees.

e. Injunctive Relief. Participant recognizes and agrees that the injury the Company will suffer in the event of a breach of this Section 12 may cause the Company irreparable injury that cannot adequately be compensated by monetary damages alone. Therefore, in the event of a breach of this Section 12 by Participant, or any attempted or threatened breach, Participant agrees that the Company, without limiting any legal or equitable remedies available to it, may be entitled to equitable relief by preliminary and permanent injunction or otherwise, without the necessity of posting any bond or undertaking, against Participant and/or the business enterprise with which Participant may have become associated, from any court of competent jurisdiction.

f. Reasonableness of Restrictions. Participant understands and acknowledges that Company would not have granted Restricted Stock to Participant without Participant’s agreement to comply with the covenants set forth in Section 12 hereof. Participant expressly acknowledges and agrees that the covenants and restrictive agreements contained in this Award Agreement are reasonable as to scope, location, and duration and that the observation thereof will not cause Participant undue hardship or unreasonably interfere with Participant’s ability to earn a livelihood and practice Participant’s present skills and trades. Participant has consulted with legal counsel of
Participant’s selection regarding the meaning of such covenants and restrictions, which have been explained to Participant’s satisfaction.

g. **Remedies.** In the event of a breach of the covenants contained in Section 12 hereof, the periods provided in Section 12 shall be tolled (i.e., such periods shall not run during a breach of any of these covenants) during the time of such violation, and Participant agrees that the Company shall be entitled to and a court may order an extension of time of the Restricted Period commensurate with the period of Participant’s breach. In the event of such a breach, Participant further agrees that (a) any and all proceeds, funds, payments and proprietary interests, of every kind and description, arising from, or attributable to, such breach shall be the sole and exclusive property of the Company and (b) the Company shall be entitled to recover any additional actual damages incurred as a result of such breach.

h. **Legal Construction.** The parties hereto further agree that if at any time it shall be determined that the restrictions contained in Section 12 is unreasonable as to time or area, or both, by any court of competent jurisdiction, the Company shall be entitled to enforce this Award Agreement for such period of time and within such area as may be determined to be reasonable by such court. It is the intent of the parties hereto that the provisions hereof be enforceable to the fullest extent permitted by applicable law. Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender and words, terms and titles (including terms defined herein) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise expressly requires.

i. **Attorneys’ Fees.** If any action at law or in equity, including any action for declaratory or injunctive relief, is brought to enforce or interpret the provisions of this Section 12, the Company shall be entitled to recover reasonable attorneys’ fees from Participant, should Company prevail in whole or in part therein, which fees may be set by the court in the trial of such action, or may be enforced in a separate action brought for that purpose, and which fees shall be in addition to any other relief which may be awarded.

13. **Binding Agreement.** Subject to the limitation on the transferability of this grant contained herein, this Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

14. **Additional Conditions to Release from Escrow.** The Company will not be required to issue any certificate or certificates for Shares hereunder or release such Shares from the escrow established pursuant to Section 2 prior to fulfillment of all the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such class of stock is then listed; (b) the completion of any registration or other qualification of such Shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Administrator will, in its absolute discretion, deem necessary or advisable; (c) the obtaining of any approval or other clearance from any state or federal governmental agency, which the Administrator will, in its absolute discretion, determine to be necessary or advisable; and (d) the lapse of such reasonable period of time following the date of grant of the Restricted Stock as the Administrator may establish from time to time for reasons of administrative convenience.

15. **Plan Governs.** This Award Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Award Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Award Agreement will have the meaning set forth in the Plan.

16. **Administrator Authority.** The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares of Restricted Stock have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.
17. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to the Shares of Restricted Stock awarded under the Plan or future Restricted Stock that may be awarded under the Plan by electronic means or request Participant’s consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

18. **Captions.** Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

19. **Agreement Severable.** In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

20. **Modifications to the Agreement.** This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection to this Award of Restricted Stock.

21. **Amendment, Suspension or Termination of the Plan.** By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

22. **Forfeiture Events.** Participant acknowledges and agrees that, (a) if Participant’s status as a Service Provider terminates and Participant engages in Acts Harmful to the Interest of the Company (as defined herein) within one (1) year after the termination, as determined by the Administrator, then, to the extent permitted by applicable law, (i) the Participant will (A) immediately forfeit any right the Shares of Restricted Stock issued under this Award Agreement, whether vested or unvested, and shall, within three (3) business days after receiving a written demand therefor from the Company, return and surrender to the Company for cancellation all Shares of Restricted Stock of the Company received by the Participant pursuant to this Award Agreement, and (B) immediately forfeit any right to, and shall, within three (3) business days after receiving a written demand therefor from the Company, pay to the Company—either directly or, at the Company’s discretion, through a payroll deduction from any amounts owed by the Company to Participant—a cash payment equal to the value of all proceeds received by Participant within six (6) months before or after the date of the termination of Participant’s status as a Service Provider from the sale of any Shares of the Restricted Stock originally acquired by Participant pursuant to this Award of Restricted Stock. If a payroll deduction is insufficient to pay the Company the value of all such proceeds received by Participant, then Participant shall be required to make a cash payment to the Company in the amount of any deficiency.

For purposes of this provision, “Acts Harmful to the Interest of the Company” shall mean (a) accepting employment with or serving in any other capacity for any business entity that is in competition with the Company; (b) the breach of any of the covenants set forth in Section 12 above; or (c) disclosing any trade secret or confidential information of the Company under circumstances that are injurious to the Company.

23. **Governing Law.** This Award Agreement will be governed by the laws of the State of Texas, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award of Restricted Stock or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Texas, and agree that such litigation will be conducted in the courts of Denton County, Texas, or the federal courts for the United States for the Northern District of Texas, and no other courts, where this Award of Restricted Stock is made and/or to be performed.
EXHIBIT III

FORM OF

RESTRICTED STOCK AWARD AGREEMENT
(MARKET-BASED PERFORMANCE SHARES)
REALPAGE, INC.
2010 EQUITY INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT
FOR MARKET BASED AWARDS

Unless otherwise defined herein, the terms defined in the RealPage, Inc. 2010 Equity Incentive Plan (the “Plan”) will have the same defined meanings in this Restricted Stock Award Agreement (the “Award Agreement”).

NOTICE OF RESTRICTED STOCK GRANT

Participant Name: Andrew Blount
You have been granted the right to receive an Award of Restricted Stock, subject to the terms and conditions of the Plan and this Award Agreement, as follows:
Grant Number
Date of Grant: [TBD]
Vesting Commencement Date: Subject to eligibility terms below
Total Number of Shares Granted: 100,000

Vesting Schedule:
Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock will vest and the Company’s right to reacquire the Restricted Stock will lapse in accordance with the following schedule:

Market-Based Condition for Eligibility to Vest: No Shares will vest until they become eligible to vest. Shares that become eligible to vest, if any, are referred to herein as “Eligible Shares.” Shares shall become “Eligible Shares” as follows:

1. 25,000 Shares shall become eligible to vest if after the grant date and prior to July 1, 2017, the average closing price per share of the Company’s common stock for 20 consecutive trading days equals or exceeds $25.00 per share;
2. 25,000 Shares shall become eligible to vest if after the grant date and prior to January 1, 2018, the average closing price per share of the Company’s common stock for 20 consecutive trading days equals or exceeds $30.00 per share;
3. 25,000 Shares shall become eligible to vest if after the grant date and prior to July 1, 2018, the average closing price per share of the Company’s common stock for 20 consecutive trading days equals or exceeds $35.00 per share; and
4. 25,000 Shares shall become eligible to vest if after the grant date and prior to January 1, 2019, the average closing price per share of the Company’s common stock for 20 consecutive trading days equals or exceeds $40.00 per share.

Time-Based Vesting Condition: The Eligible Shares shall vest 25% per quarter over the four calendar quarters following the date they become Eligible Shares, beginning on the first day of the next calendar quarter after the date they become Eligible Shares, subject to Participant’s remaining a Service Provider to the Company through each applicable vesting date. Notwithstanding the foregoing, all Eligible Shares will be fully vested on July 1, 2017 (pursuant to (1) discussed above in the “Market-Based Condition for Eligibility to Vest” paragraph); January 1, 2018 (pursuant to (2) discussed above in the “Market-Based Condition for Eligibility to Vest” paragraph).
to Vest” paragraph); July 1, 2018 (pursuant to (3) discussed above in the “Market-Based Condition for Eligibility to Vest” paragraph), and on January 1, 2019 (pursuant to
(4) discussed above in the “Market-Based Condition for Eligibility to Vest” paragraph), provided that Participant remains a Service Provider to the Company through such
date.

Change in Control: The foregoing notwithstanding and notwithstanding any contrary provision of the Plan, in the event a Change in Control occurs while Participant
remains a Service Provider of the Company or a parent or subsidiary of the Company, (i) all Eligible Shares shall vest in full upon such Change in Control, (ii) the first
tranche of Shares set forth above shall be deemed to be Eligible Shares and shall accelerate and shall be fully vested immediately prior to a Change in Control that results in
consideration per share of the Company's common stock equal to or in excess of $25.00 per share, (iii) the second tranche of Shares set forth above shall be deemed to be
Eligible Shares and shall accelerate and shall be fully vested immediately prior to a Change in Control that results in consideration per share of the Company's common
stock equal to or in excess of $30.00 per share, (iv) the third tranche of Shares set forth above shall be deemed to be Eligible Shares and shall accelerate and shall be fully
vested immediately prior to a Change in Control that results in consideration per share of the Company's common stock equal to or in excess of $35.00 per share, and (v) the
fourth tranche of Shares set forth above shall be deemed to be Eligible Shares and shall accelerate and shall be fully vested immediately prior to a Change in Control that
results in consideration per share of the Company's common stock equal to or in excess of $40.00 per share.

Death or Disability: The foregoing notwithstanding and notwithstanding any contrary provision of the Plan, in the event of or upon Participant’s termination of
service due to Death or Disability before all Shares of Restricted Stock have vested, then one hundred percent (100%) of the then unvested Eligible Shares of Restricted
Stock shall vest upon Participant’s termination of service due to Death or Disability.

By Participant’s signature and the signature of the representative of RealPage, Inc. (the “Company”) below, Participant and the Company agree that this Award of Restricted
Stock is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Grant, attached
hereto as Exhibit A, all of which are made a part of this document. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain
the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and Award Agreement. Participant hereby agrees to accept as
binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement. Participant further agrees to
notify the Company upon any change in the residence address indicated above.
PARTICIPANT:  REALPAGE, INC.

/s/ Andrew Blount  /s/ Stephen T. Winn
Signature     By

Andrew Blount  Stephen T. Winn, CEO and President
Print Name     Title
EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK GRANT

1. **Grant of Restricted Stock.** In exchange for the promises and representations made by the individual named in the Notice of Grant attached as Part I of this Award Agreement (the “Participant”), the Company hereby grants to the Participant under the Plan for past services and as a separate incentive in connection with his or her services and not in lieu of any salary or other compensation for his or her services, an Award of Shares of Restricted Stock, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19 of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan will prevail.

2. **Escrow of Shares.**

(a) All Shares of Restricted Stock will, upon execution of this Award Agreement, be delivered and deposited with an escrow holder designated by the Company (the “Escrow Holder”). The Shares of Restricted Stock will be held by the Escrow Holder until such time as the Shares of Restricted Stock vest or the date Participant ceases to be a Service Provider.

(b) The Escrow Holder will not be liable for any act it may do or omit to do with respect to holding the Shares of Restricted Stock in escrow while acting in good faith and in the exercise of its judgment.

(c) Upon Participant’s termination as a Service Provider for any reason, the Escrow Holder, upon receipt of written notice of such termination, will take all steps necessary to accomplish the transfer of the unvested Shares of Restricted Stock to the Company. Participant hereby appoints the Escrow Holder with full power of substitution, as Participant’s true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer the certificate or certificates evidencing such unvested Shares of Restricted Stock to the Company upon such termination.

(d) The Escrow Holder will take all steps necessary to accomplish the transfer of Shares of Restricted Stock to Participant after they vest following Participant’s request that the Escrow Holder do so.

(e) Subject to the terms hereof, Participant will have all the rights of a stockholder with respect to the Shares while they are held in escrow, including without limitation, the right to vote the Shares and to receive any cash dividends declared thereon.

(f) In the event of any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares, the Shares of Restricted Stock will be increased, reduced or otherwise changed, and by virtue of any such change Participant will in his or her capacity as owner of unvested Shares of Restricted Stock be entitled to new or additional or different shares of stock, cash or securities (other than rights or warrants to purchase securities); such new or additional or different shares, cash or securities will thereupon be considered to be unvested Shares of Restricted Stock and will be subject to all of the conditions and restrictions which were applicable to the unvested Shares of Restricted Stock pursuant to this Award Agreement. If Participant receives rights or warrants with respect to any unvested Shares of Restricted Stock, such rights or warrants may be held or exercised by Participant, provided that until such exercise any such rights or warrants and after such exercise any shares or other securities acquired by the exercise of such rights or warrants will be considered to be unvested Shares of Restricted Stock and will be subject to all of the conditions and restrictions which were applicable to the unvested Shares of Restricted Stock pursuant to this Award Agreement. The Administrator in its absolute discretion at any time may accelerate the vesting of all or any portion of such new or additional shares of stock, cash or securities, rights or warrants to purchase securities or shares or other securities acquired by the exercise of such rights or warrants.
The Company may instruct the transfer agent for its Common Stock to place a legend on the certificates representing the Restricted Stock or otherwise note its records as to the restrictions on transfer set forth in this Award Agreement.

3. Vesting Schedule. Except as provided in Section 4 below and Section 14 of the Plan, and subject to Section 5 below, the Shares of Restricted Stock awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Shares of Restricted Stock scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

4. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock will be considered as having vested as of the date specified by the Administrator.

5. Forfeiture upon Termination of Status as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, the balance of the Shares of Restricted Stock that have not vested at the time of Participant's termination as a Service Provider for any reason will be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company upon the date of such termination and Participant will have no further rights thereunder. Participant will not be entitled to a refund of the price paid for the Shares of Restricted Stock, if any, returned to the Company pursuant to this Section 5. Participant hereby appoints the Escrow Agent with full power of substitution, as Participant's true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer the certificate or certificates evidencing such unvested Shares to the Company upon such termination of service.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Withholding of Taxes. Notwithstanding any contrary provision of this Award Agreement, no certificate representing the Shares of Restricted Stock may be released from the escrow established pursuant to Section 2, unless and until satisfactory arrangements (as determined by the Administrator) will have been made by Participant with respect to the payment of income, employment and other taxes which the Company determines must be withheld with respect to such Shares, if any. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such tax withholding obligation, in whole or in part (without limitation) by (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the minimum amount required to be withheld, (c) delivering to the Company already vested and owned Shares having a Fair Market Value equal to the amount required to be withheld, or (d) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any tax withholding obligations by reducing the number of Shares otherwise deliverable to Participant. If Participant fails to make satisfactory arrangements for the payment of any required tax withholding obligations hereunder at the time any applicable Shares otherwise are scheduled to vest pursuant to Sections 3 or 4 (or Section 14 of the Plan), Participant will permanently forfeit such Shares and the Shares will be returned to the Company at no cost to the Company.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company as of the time a Share is deliverable hereunder unless and until certificates representing such Shares have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant or the Escrow Agent. Except as provided in Section 2,
after such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. **No Guarantee of Continued Service.** PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE SHARES OF RESTRICTED STOCK PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT’S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT’S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

10. **Address for Notices.** Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company, in care of its Chief Legal Officer at RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007, or at such other address as the Company may hereafter designate in writing.

11. **Grant is Not Transferable.** Except to the limited extent provided in Section 6, the unvested Shares subject to this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any unvested Shares of Restricted Stock subject to this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. **Participant Covenants.**

a. **Non-Competition/Non-Interference with Customers and Licensees.**

Participant hereby agrees that, during the term of employment and for a period of one (1) year thereafter (the “Restricted Period”) (other than on behalf of the Company or its affiliates), Participant shall not in any way directly or indirectly, perform work for or on behalf of a Competing Business that in any way relates to, or is similar to, the work Participant has performed for the Company. During the Restricted Period, Participant further agrees not to call upon, solicit, respond to, advise or otherwise do or attempt to do business with any then-existing or Past customer or licensee of the Company or any affiliate of the Company or solicitor, induce, recruit or encourage any then-existing or Past customer or licensee of the Company or any affiliate to limit, curtail, or stop doing business with the Company or any affiliate, or to attempt to divert business directed by such parties to the Company or any affiliate to any other person or entity, or assist, cooperate or encourage any third party to do any of the foregoing. For purposes of this Section 12(a), the term “Past” customer or “Past” licensee shall refer to any former customer or licensee of the Company or any affiliate within one (1) year of their having ceased to be a customer or licensee of the Company or any affiliate. “Competing Business” specifically includes, but is not limited to the companies Yardi Systems, Inc., MRI Software, LLC and Property Solutions International, Inc., and is defined as the business of developing, designing, publishing, marketing, offering, licensing, maintaining or distributing databases or software applications, or providing services, that are competitive with products or services of the Company and are generally used for the purpose of managing or supporting the operation of, screening, leasing, pricing, promotion or maintenance of multi-tenant or single family housing facilities or the units at such facilities, storage facilities and related properties, call center/contact management or real estate or other market segments served from time-to-time by the Company’s business. Without limitation of the foregoing, multi-tenant real estate property management applications, data bases and services shall include software used in screening potential tenants, performing property management or accounting functions, providing pricing information or performing market research, communicating via the Internet with applicants, residents, service providers, suppliers and advertising providers, facilitating or providing billing, payments and cash management services, providing
systems to control costs, providing energy management or convergent billing services and utility management services including, without limitation, infrastructure services, and producing, soliciting and/or assisting with the solicitation of insurance products or services or developing and providing other risk mitigation systems, or developing, marketing or selling single family or a multi-tenant vendor network solution, the provision of software applications, databases and other products and services for management and marketing for the senior living market, including without limitation, facilities for independent living, assisted living, CCRC, nursing home, hospice and palliative care, the provision of data center services, cloud services, or other similar shared computer resources or information technology services specifically designed for or marketed for use by owners or managers of real property and related facilities; provided, however, that under no circumstances shall accepting employment with a Past Customer constitute engaging in a “Competing Business.” “Company Confidential Information” shall mean all information, regardless of its form or format, about the Company, its customers and employees that is not readily accessible to the public and not a matter of common knowledge in the Company’s business trade or industry and that is disclosed to or learned by Employee as a direct or indirect consequence of or through Employee’s employment with the Company, about the Company, its parents, subsidiaries or affiliates, including, without limitation, the Company’s technical knowledge and business operations, including, by way of illustration, the Company’s existing and contemplated products, trade secrets, formulas, patents, models, compilations, information relating to software programs, source codes or object codes, computer systems, computer systems analyses, testing results, flow charts and designs, product specifications and documentation, user documentation business and financial methods or practices, plans, pricing, marketing, merchandising and selling techniques, plans, strategies and information, customer lists, supplier and service lists, confidential information relating to the Company’s policy and/or business strategy, or any of its executives, clients, agents or suppliers, sales plans, sales records, sales literature, customer files, research and development projects or plans, sales or licensing terms and conditions, consulting sources, procedure or policy manuals, legal matters, financial statements, financing methods, financial projections, and the terms and conditions of business arrangements with its parent, clients, suppliers, banks, or other financial institutions.

b. Non-Interference with Employees. Participant hereby agrees, during the Restricted Period, not to, either directly or indirectly, solicit, induce, recruit or encourage any employee of the Company or any affiliate to leave their employment, or take away such employees, or attempt to solicit, induce, recruit, encourage or take away employees of the Company or any affiliate, either for Participant or for any other person or entity, or otherwise hire as an employee or a consultant, for Participant or any other person or entity, any such employee of the Company or any affiliate.

c. Non-Interference with Business Relationships. Participant hereby agrees, during the Restricted Period, that Participant shall not, directly or indirectly, take away or interfere with any contractual relationships or business relationships between the Company and any of the technology or distribution companies with whom the Company or any affiliate has strategic relationships.

d. Non-Disparagement. Participant hereby agrees, that during the Restricted Period, Participant shall not disparage either orally or in writing the Company or any affiliate, their products or services, or their officers, directors, or employees.

e. Injunctive Relief. Participant recognizes and agrees that the injury the Company will suffer in the event of a breach of this Section 12 may cause the Company irreparable injury that cannot adequately be compensated by monetary damages alone. Therefore, in the event of a breach of this Section 12 by Participant, or any attempted or threatened breach, Participant agrees that the Company, without limiting any legal or equitable remedies available to it, may be entitled to equitable relief by preliminary and permanent injunction or otherwise, without the necessity of posting any bond or undertaking, against Participant and/or the business enterprise with which Participant may have become associated, from any court of competent jurisdiction.

f. Reasonableness of Restrictions. Participant understands and acknowledges that Company would not have granted Restricted Stock to Participant without Participant’s agreement to comply with the covenants set forth in Section 12 hereof. Participant expressly acknowledges and agrees that the covenants and restrictive agreements contained in this Award Agreement are reasonable as to scope, location, and duration and that the observation thereof will not cause Participant undue hardship or unreasonably interfere with Participant’s ability to earn a livelihood and practice Participant’s present skills and trades. Participant has consulted with legal counsel of
Participant’s selection regarding the meaning of such covenants and restrictions, which have been explained to Participant’s satisfaction.

g. Remedies. In the event of a breach of the covenants contained in Section 12 hereof, the periods provided in Section 12 shall be tolled (i.e., such periods shall not run during a breach of any of these covenants) during the time of such violation, and Participant agrees that the Company shall be entitled to and a court may order an extension of time of the Restricted Period commensurate with the period of Participant’s breach. In the event of such a breach, Participant further agrees that (a) any and all proceeds, funds, payments and proprietary interests, of every kind and description, arising from, or attributable to, such breach shall be the sole and exclusive property of the Company and (b) the Company shall be entitled to recover any additional actual damages incurred as a result of such breach.

h. Legal Construction. The parties hereto further agree that if at any time it shall be determined that the restrictions contained in Section 12 is unreasonable as to time or area, or both, by any court of competent jurisdiction, the Company shall be entitled to enforce this Award Agreement for such period of time and within such area as may be determined to be reasonable by such court. It is the intent of the parties hereto that the provisions hereof be enforceable to the fullest extent permitted by applicable law. Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender and words, terms and titles (including terms defined herein) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise expressly requires.

i. Attorneys’ Fees. If any action at law or in equity, including any action for declaratory or injunctive relief, is brought to enforce or interpret the provisions of this Section 12, the Company shall be entitled to recover reasonable attorneys’ fees from Participant, should Company prevail in whole or in part therein, which fees may be set by the court in the trial of such action, or may be enforced in a separate action brought for that purpose, and which fees shall be in addition to any other relief which may be awarded.

13. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

14. Additional Conditions to Release from Escrow. The Company will not be required to issue any certificate or certificates for Shares hereunder or release such Shares from the escrow established pursuant to Section 2 prior to fulfillment of all the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such class of stock is then listed; (b) the completion of any registration or other qualification of such Shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Administrator will, in its absolute discretion, deem necessary or advisable; (c) the obtaining of any approval or other clearance from any state or federal governmental agency, which the Administrator will, in its absolute discretion, determine to be necessary or advisable; and (d) the lapse of such reasonable period of time following the date of grant of the Restricted Stock as the Administrator may establish from time to time for reasons of administrative convenience.

15. Plan Governs. This Award Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Award Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Award Agreement will have the meaning set forth in the Plan.

16. Administrator Authority. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares of Restricted Stock have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.
17. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to the Shares of Restricted Stock awarded under the Plan or future Restricted Stock that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

18. **Captions.** Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

19. **Agreement Severable.** In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

20. **Modifications to the Agreement.** This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection to this Award of Restricted Stock.

21. **Amendment, Suspension or Termination of the Plan.** By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

22. **Forfeiture Events.** Participant acknowledges and agrees that Participant’s status as a Service Provider terminates and participant engages in Acts Harmful to the Interest of the Company (as defined herein) within one (1) year after the termination, as determined by the Administrator, then, to the extent permitted by applicable law, (i) the Participant will (A) immediately forfeit any right the Shares of Restricted Stock issued under this Award Agreement, whether vested or unvested, and shall, within three (3) business days after receiving a written demand therefor from the Company, return and surrender to the Company for cancellation all Shares of Restricted Stock of the Company received by the Participant pursuant to this Award Agreement, and (B) immediately forfeit any right to, and shall, within three (3) business days after receiving a written demand therefor from the Company, pay to the Company—either directly by, or at Company’s discretion, through a payroll deduction from any amounts owed by the Company to Participant—a cash payment equal to the value of all proceeds received by Participant within six (6) months before or after the date of the termination of Participant’s status as a Service Provider from the sale of any Shares of the Restricted Stock originally acquired by Participant pursuant to this Award of Restricted Stock. If a payroll deduction is insufficient to pay the Company the value of all such proceeds received by Participant, then Participant shall be required to make a cash payment to the Company in the amount of any deficiency.

For purposes of this provision, “Acts Harmful to the Interest of the Company” shall mean (a) accepting employment with or serving in any other capacity for any business entity that is in competition with the Company; (b) the breach of any of the covenants set forth in Section 12 above; or (c) disclosing any trade secret or confidential information of the Company under circumstances that are injurious to the Company.

23. **Governing Law.** This Award Agreement will be governed by the laws of the State of Texas, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award of Restricted Stock or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Texas, and agree that such litigation will be conducted in the courts of Denton County, Texas, or the federal courts for the United States for the Northern District of Texas, and no other courts, where this Award of Restricted Stock is made and/or to be performed.
This General Release and Separation Agreement ("Agreement") is made and entered into by and between [NAME], a resident of [STATE], and RealPage, Inc., a Delaware corporation ("Company"), in full and final settlement of any and all claims that Employee may have against Company and any and all claims that Company may have against Employee. This Agreement shall become effective on the eighth day after Employee signs and delivers this Agreement to Company (the "Effective Date"), provided that Employee does not revoke this Agreement prior to such date pursuant to Paragraph 3(f)(iv) below and provided further that Employee signs this Agreement on or before the fiftieth day following the Termination Date (as defined below).

1. Termination as Executive of RealPage, Inc. Employee acknowledges and agrees that Employee’s employment with Company in any capacity terminated effective [DATE] (the "Termination Date"). Regardless of whether Employee executes this Agreement, (a) Company will pay Employee, on or before the Termination Date, the Accrued Amounts (as defined in the Amended and Restated Employment Agreement, dated as of May 1, 2015, by and among Company and Employee (the "Employment Agreement")) and (b) nothing contained herein shall be deemed to affect Employee’s right to vested benefits (if any) under Company’s 401(k) plan or with respect to health benefit continuation in accordance with the federal law known as COBRA.

2. Consideration for Agreement from Company. In return for this Agreement, and in full and final settlement, compromise, and release of any and all claims that Employee has or may have against the Released Parties (as defined below in Paragraph 3), including Company (as described in Paragraph 3 below), and provided that Employee complies with the obligations under this Agreement, Employer shall pay and provide Employee the payments and benefits described in Sections 9(a)(i)-(ii) of the Employment Agreement.

   (a) Except as expressly set forth in this Agreement, Employee, on behalf of Employee and Employee’s spouse, heirs, descendants, administrators, representatives and assigns, hereby releases, forever discharges and covenants not to sue, Company, its past, present and future parents, subsidiaries, divisions, affiliates, and each of its and their respective predecessors, successors and assigns, and each of their past, present and future employees, officers, directors, agents, insurers, members, partners, joint venturers, employee welfare benefit plans, employee pension benefit plans and deferred compensation plans, and their trustees, administrators and other fiduciaries, and all persons acting by, through, under or in concert with them, or any of them (the "Released Parties"), of, from, and with respect to any action, cause of action, in law or in equity, suit, debt, lien, contract, agreement, obligation, promise, liability, claim, demand, damage, loss, cost or expense, of any nature whatsoever, known or unknown, suspected or unsuspected, or fixed or contingent (hereinafter called "Claims"), which Employee now has or may hereafter have against the Released Parties, or any of them, by reason of any act, omission, matter, cause or thing whatsoever occurring from the beginning of time through the date Employee signs this Agreement. Employee understands that this release includes, without limitation:
      • Claims arising out of or by virtue of or in connection with Employee’s employment with Company or any of the Released Parties, the terms and conditions of that employment, or the termination of that employment. This release includes (but is not limited to) Claims for breach of contract and common law Claims for wrongful discharge; assault and battery; negligence; negligent hiring, retention and/or supervision; intentional or negligent invasion of privacy; defamation; intentional or negligent infliction of emotional distress; violations of public policy; or any other law grounded in tort, contract or common law. With the exception of any Claims covered by Paragraph 3(b) of this Agreement, this release further includes (but is not limited to) statutory Claims for failure to pay wages and/or overtime, unlawful harassment, and unlawful retaliation, Claims arising under federal, state or local laws, statutes or orders or regulations that relate to the employment relationships and/or prohibiting employment discrimination or any other federal, state or local law, including, but not limited to, Claims under the following statutes:
         • Title VII of the Civil Rights Act of 1964, as amended in 1991;
• Section 1981 of the Civil Rights Act of 1866, as amended;
• The Age Discrimination in Employment Act;
• The Employee Income Retirement Security Act;
• The Fair Labor Standards Act;
• The Americans With Disabilities Act;
• The Family and Medical Leave Act;
• The National Labor Relations Act;
• The Fair Credit Reporting Act;
• The Immigration Reform Control Act;
• The Occupational Safety & Health Act;
• The Equal Pay Act;
• The Uniformed Services Employment and Reemployment Rights Act;
• The Worker Adjustment and Retraining Notification Act;
• The Employee Polygraph Protection Act;
• The Texas Labor Code;
• Any state or federal consumer protection and/or trade practices act; and
• Any state or federal workers’ compensation or disability, to the maximum extent permitted by law.

(b) **Exceptions to Release by Employee:** Excluded from this Agreement are (i) Claims with respect to the breach of any covenant to be performed by Company after the date of this Agreement and (ii) any Claims that cannot be waived by law, including, but not limited to, the right to file a charge with or participate in an investigation conducted by the Texas Workforce Commission or the Equal Employment Opportunity Commission (the "EEOC"). Employee is waiving, however, Employee’s right to any monetary recovery or relief should the Texas Workforce Commission or EEOC or any other agency pursue any Claims on Employee’s behalf.

(c) Employee represents and warrants that Employee has not assigned or transferred to any third party any interest in any Claim which Employee may have against the Released Parties, or any of them, and Employee agrees to indemnify and hold the Released Parties, and each of them, harmless from any liability, claims, demands, damages, costs, expenses and attorneys’ fees incurred by them, or any of them, as a result of any such assignment or transfer.

(d) Employee represents and warrants that Employee has not asserted, filed or otherwise taken actions to initiate any Claim in any federal, state or local court, administrative agency, arbitral forum, or any other forum.

(e) If any Claim is not subject to release, to the extent permitted by law, Employee waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a Claim in which Company or any of the Releasees identified in this Agreement is a party.

(f) **Waiver Of Age Discrimination Claims:** Employee expressly acknowledges and agrees that, by entering into this Agreement, Employee is waiving any and all rights or Claims that Employee may have arising under the Age Discrimination in Employment Act, as amended (the "ADEA"), which have arisen on or before the date of execution of this Agreement. Employee further expressly acknowledges and agrees that:

(i) In return for this Agreement, Employee will receive compensation beyond that which Employee was already entitled to receive before entering into this Agreement;

(ii) Employee is hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement and Employee fully understands the significance of all the terms and conditions of this Agreement and has discussed them with Employee’s attorney (or Employee has had a reasonable
opportunity to discuss the terms and conditions of this Agreement with an attorney, if desired) prior to signing this Agreement;

(iii) Employee is hereby informed that Employee has 21 days within which to consider this Agreement and that if Employee signs it prior to the end of such 21-day period, Employee will have done so voluntarily and with full knowledge that Employee is waiving the right to have 21 days to consider this Agreement;

(iv) Employee is hereby advised that Employee has seven (7) days following the date of execution of this Agreement in which to revoke in writing the release of rights or Claims Employee may have arising under the ADEA. Any revocation must be in writing and must be received by Company's Chief Executive Officer during the seven-day revocation period. In the event that Employee exercises Employee’s right of revocation, all other releases and obligations under this Agreement shall not be valid or enforceable;

(v) Nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law;

(vi) Employee has carefully read this Agreement, acknowledges that Employee has not relied on any representation or statement, written or oral, not set forth in this Agreement or the Employment Agreement; and

(vii) Employee represents and warrants that Employee is signing this release knowingly and voluntarily.

4. Company Release

(a) In consideration of the Employee’s execution and non-revocation of this Agreement, and for other good and valuable consideration, receipt of which is hereby acknowledged, Company, on behalf of itself and each of its subsidiaries, hereby releases, forever discharges and covenants not to sue Employee with respect to and from any Claim which Company or its applicable subsidiary now has or may hereafter have against Employee by reason of any act, omission, matter, cause or thing whatsoever occurring from the beginning of time through the date Employee signs this Agreement; provided, however, that this release excludes (i) any Claims that cannot be waived by law, (ii) Claims with respect to the breach of any covenant to be performed by Employee after the date of this Agreement and (iii) Claims based upon Employee’s willful misconduct.

(b) Company represents and warrants that Company has not assigned or transferred to any third party any interest in any Claim which Company may have against Employee, and Company agrees to indemnify and hold Employee harmless from any liability, claims, demands, damages, costs, expenses and attorneys’ fees incurred by Employee as a result of any such assignment or transfer.

(c) Company represents and warrants that Company has not asserted, filed or otherwise taken actions to initiate any Claim against Employee in any federal, state or local court, administrative agency, arbitral forum, or any other forum.

5. Continuing Obligations Contained in Other Documents and Return of Company Property

Employee agrees and acknowledges that Employee has complied, and will continue to comply, with the obligations under this Agreement and the Employment Agreement (including, without limitation, the restrictive covenants set forth in Section 11 of the Employment Agreement). Company agrees and acknowledges that Company has complied, and will continue to comply, with the obligations under this Agreement and the Employment Agreement (including, without limitation, the non-disparagement covenant set forth in Section 11(b) of the Employment Agreement). In addition, Employee shall return to Company all Company property in Employee’s possession, custody or control on or before the Termination Date.

6. Waiver of Breach

A waiver by Employee or Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either party.

7. No Admission of Liability

Employee and Company understand and acknowledge that this Agreement constitutes a compromise and settlement of any and all potential disputed Claims that Employee may have against Company and the Released Parties and that Company may have against Employee. Neither this Agreement nor any action taken by Employee or Company (or any of its parent, subsidiary or affiliated entities), either previously or in connection with this Agreement, shall be deemed or construed to be: (a) an admission of the truth or falsity of any
potential Claims; (b) an acknowledgment or admission by Company of any fault or liability whatsoever to Employee or to any third party; or (b) an acknowledgment or admission by Employee of any fault or liability whatsoever to Company or to any third party. Neither this Agreement nor anything in this Agreement shall be construed to be, or shall be admissible in any proceeding as, evidence of liability or wrongdoing by Employee, Company or any other Released Party.

8. Miscellaneous, Sections 13 ("Successors, Binding Agreement"), 15 ("Notice"), 16 ("Severability"), 17 ("Counterparts"), 21 ("Miscellaneous"), 22 ("Applicable Law, Venue, Jurisdiction and Arbitration"), 23 ("Section 409A"), and 24 ("Entire Agreement") of the Employment Agreement shall apply to this Agreement.

[Signature Page to Follow]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated on the following page.

RealPage, Inc.

By:__
Name:__
Title:__
Date:__

EMPLOYEE:

By:__
Name:__
Date:__
Address:
I, [NAME], hereby acknowledge that I was given 21 days to consider the foregoing Agreement and voluntarily chose to sign this Agreement prior to the expiration of the 21-day period.

I declare under penalty of perjury under the laws of the State of Texas that the foregoing is true and correct.

EXECUTED this ___ day of ____________ 201_, at ________ County, ____________.

Name:
EXHIBIT V

LIST OF SOFTWARE APPLICATIONS

Realhound Classic and Realhound App – Customer relationship management software licensed to apartment and commercial brokers and franchise owners, which does not include Import Functionality (as defined in Section 11 of the Agreement).
EXHIBIT VI

LIST OF CONTRACTS

N/A
EXHIBIT VII

REALPAGE, INC.

CONFIDENTIAL INFORMATION,
INVENTION ASSIGNMENT, AND ARBITRATION AGREEMENT

As a condition of my employment with RealPage, Inc., or its subsidiaries, affiliates, successors or assigns (together the “Company”), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by the Company, and other good and valuable consideration herein, the undersigned agrees to the following provisions of this Confidential Information, Invention Assignment, and Arbitration Agreement (this “Agreement”):

I. Confidential Information.

   A. Company Information. I agree and acknowledge that as an Employee of the Company, I will be given access to Confidential Information that the Company has collected, developed, and/or discovered over time, and at great expense. I agree that during and for all times after my employment with the Company terminates, regardless of the reason for termination, I will hold in the strictest confidence, and will not use (except for the benefit of the Company during my employment) or disclose to any person, firm, or corporation (without written authorization of the President or the Board of Directors of the Company) any Company Confidential Information. I understand that my unauthorized use or disclosure of Company Confidential Information during my employment may lead to disciplinary action, up to and including immediate termination and legal action by the Company. I understand that “Company Confidential Information” means any non-public information that is not readily and easily available to the public or a matter of common knowledge to those in the Company’s business, trade, or industry that relates to the actual or anticipated business, research or development of the Company, or to the Company’s technical data, trade secrets, or know-how, including, but not limited to, research, product plans, or other information regarding the Company’s products or services and markets thereof, customer lists and customers (including, but not limited to, customers of the Company on which I called or with which I may become acquainted during the term of my employment), software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, and other business information; provided, however, Company Confidential Information does not include any of the foregoing items to the extent the same have become publicly known and made generally available through no wrongful act of mine. I understand that nothing in this Agreement is intended to limit employees’ rights to discuss the terms, wages, and working conditions of their employment, as protected by applicable law.

   B. Former Employer Information. I agree that during my employment with the Company, I will not improperly use, disclose, or induce the Company to use any proprietary information or trade secrets of any former or concurrent employer or other person or entity. I further agree that I will not bring onto the premises of the Company or transfer onto the Company’s technology systems any unpublished document, proprietary information, or trade secrets belonging to any such employer, person, or entity unless consented to in writing by both the Company and such employer, person, or entity.

   C. Third Party Information. I recognize that the Company may have received and in the future may receive from third parties associated with the Company, e.g., the Company’s customers, suppliers, licensors, licensees, partners, or collaborators (“Associated Third Parties”), their confidential or proprietary information (“Associated Third Party Confidential Information”). By way of example, Associated Third Party Confidential Information may include the habits or practices of Associated Third Parties, the technology of Associated Third Parties, requirements of Associated Third Parties, and information related to the business conducted between the Company and such Associated Third Parties. I agree at all times during my employment with the Company and thereafter to hold in the strictest confidence, and not to use or to disclose to any person, firm, or corporation, any Associated Third Party Confidential Information, except as necessary in carrying out my work for the Company.
consistent with the Company’s agreement with such Associated Third Parties. I further agree to comply with any and all Company policies and guidelines that may be adopted from time to time regarding Associated Third Parties and Associated Third Party Confidential Information. I understand that my unauthorized use or disclosure of Associated Third Party Confidential Information or violation of any Company policies during my employment will lead to disciplinary action, up to and including immediate termination and legal action by the Company.

II. Inventions.

A. Inventions Retained and Licensed. I have attached hereto as Exhibit A, a list describing all inventions, discoveries, original works of authorship, developments, improvements, and trade secrets that were conceived in whole or in part by me prior to my employment with the Company and to which I have any right, title, or interest, and which relate to the Company’s proposed business, products, or research and development ("Prior Inventions"); or, if no such list is attached, I represent and warrant that there are no such Prior Inventions. Furthermore, I represent and warrant that if any Prior Inventions are included on Exhibit A, they will not materially affect my ability to perform all obligations under this Agreement. If, in the course of my employment with the Company, I incorporate into or use in connection with any product, process, service, technology, or other work by or on behalf of the Company any Prior Invention, I hereby grant to the Company a non-exclusive, royalty-free, fully paid-up, irrevocable, perpetual, worldwide license, with the right to grant and authorize sublicenses, to make, have made, modify, use, import, offer for sale, and sell such Prior Invention as part of or in connection with such product, process, service, technology, or other work, and to practice any method related thereto.

B. Assignment of Inventions. I agree that I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all my right, title, and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements, designs, discoveries, ideas, trademarks, or trade secrets, whether or not patentable or registrable under patent, copyright, or similar laws, which I may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of time I am in the employ of the Company (including during my off-duty hours), or with the use of Company's equipment, supplies, facilities, or Company Confidential Information, except as provided in Section II.E below (collectively referred to as “Inventions”). I further acknowledge that all original works of authorship that are made by me (solely or jointly with others) within the scope of and during the period of my employment with the Company and that are protectable by copyright are “works made for hire,” as that term is defined in the United States Copyright Act. I understand and agree that the decision whether or not to commercialize or market any Inventions is within the Company’s sole discretion and for the Company’s sole benefit, and that no royalty or other consideration will be due to me as a result of the Company’s efforts to commercialize or market any such Inventions.

C. Maintenance of Records. I agree to keep and maintain adequate, current, accurate, and authentic written records of all Inventions made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, electronic files, reports, or any other format that may be specified by the Company. The records are and will be available to and remain the sole property of the Company at all times.

D. Patent and Copyright Registrations. I agree to assist the Company, or its designee, at the Company’s expense, in every proper way to secure the Company’s rights in the Inventions and any rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, and all other instruments that the Company shall deem proper or necessary in order to apply for, register, obtain, maintain, defend, and enforce such rights, and in order to assign and convey to the Company, its successors, assigns, and nominees the sole and exclusive rights, title, and interest in and to such Inventions and any rights relating thereto, and testifying in a suit or other proceeding relating to such Inventions and any rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue after the termination of this Agreement. If the Company is unable because of my mental or physical incapacity or for any other reason to secure my signature with respect to any Inventions, including, without limitation, to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering such Inventions, then I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney in fact, to act for and in my behalf and stead, to execute and file any papers.
and oaths, and to do all other lawfully permitted acts with respect to such Inventions with the same legal force and effect as if executed by me.

III. Conflicting Employment.

A. Current Obligations. I agree that during the term of my employment with the Company, I will not engage in or undertake any other employment, occupation, consulting relationship, or commitment that is directly related to the business in which the Company is now involved or becomes involved or has plans to become involved, nor will I engage in any other activities that conflict with my obligations to the Company.

B. Prior Relationships. Without limiting Section III.A, I represent that I have no other agreements, relationships, or commitments to any other person or entity that conflict with my obligations to the Company under this Agreement or my ability to become employed and perform the services for which I am being hired by the Company. I further agree that if I have signed a confidentiality agreement or similar type of agreement with any former employer or other entity, I will comply with the terms of any such agreement to the extent that its terms are lawful under applicable law. I represent and warrant that after undertaking a careful search (including searches of my computers, cell phones, electronic devices, and documents), I have returned all property and confidential information belonging to all prior employers. Moreover, I agree to fully indemnify the Company, its directors, officers, agents, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns for all verdicts, judgments, settlements, and other losses incurred by any of them resulting from my breach of my obligations under any agreement to which I am a party or obligation to which I am bound, as well as any reasonable attorneys’ fees and costs if the plaintiff is the prevailing party in such an action, except as prohibited by law.

IV. Returning Company Documents. Upon separation from employment with the Company or on demand by the Company during my employment, I will immediately deliver to the Company, and will not keep in my possession, recreate, or deliver to anyone else, any and all Company property, including, but not limited to, Company Confidential Information, Associated Third Party Confidential Information, as well as all devices and equipment belonging to the Company (including computers, handheld electronic devices, telephone equipment, and other electronic devices), Company credit cards, records, data, notes, notebooks, reports, files, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, photographs, charts, any other documents and property, and reproductions of any and all of the aforementioned items that were developed by me pursuant to my employment with the Company, obtained by me in connection with my employment with the Company, or otherwise belonging to the Company, its successors, or assigns, including, without limitation, those records maintained pursuant to Section II.C. I also consent to an exit interview to confirm my compliance with this Section IV.

V. Termination Certification. Upon separation from employment with the Company, I agree to immediately sign and deliver to the Company the “Termination Certification” attached hereto as Exhibit B. I also agree to keep the Company advised of my home and business address for a period of seven (7) years after termination of my employment with the Company, so that the Company can contact me regarding my continuing obligations provided by this Agreement.

VI. Notification of New Employer. In the event that I leave the employ of the Company, I hereby grant consent to notification by the Company to my new employer about my obligations under this Agreement.

VII. Conflict of Interest Guidelines. I agree to diligently adhere to all policies of the Company, including the Company’s insider’s trading policies and the Conflict of Interest Guidelines attached as Exhibit C hereto, which may be revised from time to time during my employment.

VIII. Representations. I agree to execute any proper oath or verify any proper document required to carry out the terms of this Agreement. I represent that my performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. I hereby represent and warrant that I have not entered into, and I will not enter into, any oral or written agreement in conflict herewith.

IX. Audit. I acknowledge that I have no reasonable expectation of privacy in any computer, technology system, email, handheld device, telephone, or documents that are used to conduct the business of the Company. As such, the Company has the right to audit and search all such items and systems, without further notice to me, to ensure that the Company is licensed to use the software on the Company’s devices in compliance with the Company’s software licensing policies, to ensure compliance with the Company’s policies, and for any other
business-related purposes in the Company’s sole discretion. I understand that I am not permitted to add any unlicensed, unauthorized, or non-compliant applications to the Company’s technology systems and that I shall refrain from copying unlicensed software onto the Company’s technology systems or using non-licensed software or websites. I understand that it is my responsibility to comply with the Company’s policies governing use of the Company’s documents and the internet, email, telephone, and technology systems to which I will have access in connection with my employment.

**X. Dispute Resolution.** I agree that any and all controversies, claims, or disputes with the Company (including any employee, officer, director, stockholder or benefit Plan of the Company) shall be resolved in accordance with the procedures set forth in Section 23 of my Employment Agreement with the Company.

**XI. General Provisions.**

A. *Entire Agreement.* This Agreement, together with the Exhibits herein, my executed Employment Agreement and any agreements relating to restricted stock and other awards pursuant to the RealPage, Inc. Amended and Restated 2010 Equity Incentive Plan set forth the entire agreement and understanding between the Company and me relating to the subject matter herein and supersedes all prior discussions or representations between us, including, but not limited to, any representations made during my interview(s) or relocation negotiations, whether written or oral. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the President of the Company and me. Any subsequent change or changes in my duties, salary, or compensation will not affect the validity or scope of this Agreement.

B. *Severability.* If one or more of the provisions in this Agreement are deemed void by law, then the remaining provisions will continue in full force and effect.

C. *Successors and Assigns.* This Agreement will be binding upon my heirs, executors, assigns, administrators, and other legal representatives, and will be for the benefit of the Company, its successors, and its assigns. There are no intended third-party beneficiaries to this Agreement, except as expressly stated.

D. *Waiver.* Waiver by the Company of a breach of any provision of this Agreement will not operate as a waiver of any other or subsequent breach.

E. *Survivorship.* The rights and obligations of the parties to this Agreement will survive termination of my employment with the Company.

F. *Signatures.* This Agreement may be signed in two counterparts, each of which shall be deemed an original, with the same force and effectiveness as though executed in a single document.

Date: ________________

Signature

____________________

Name of Employee (typed or printed)

Witness:

Signature

____________________

Name (typed or printed)
# Exhibit A

LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP

<table>
<thead>
<tr>
<th>Title</th>
<th>Date</th>
<th>Identifying Number or Brief Description</th>
</tr>
</thead>
</table>

___ No inventions or improvements
___ Additional Sheets Attached

Signature of Employee: __
Print Name of Employee: __
Date: __
Exhibit B

REALPAGE, INC.

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, any other documents or property, or reproductions of any and all aforementioned items belonging to RealPage, Inc., its subsidiaries, affiliates, successors or assigns (together, the "Company").

I further certify that I have complied with all the terms of the attached Confidential Information, Invention Assignment, and Arbitration Agreement signed by me, including the reporting of any inventions and original works of authorship (as defined therein) conceived or made by me (solely or jointly with others), as covered by that agreement.

I further agree that, in compliance with the Confidential Information, Invention Assignment, and Arbitration Agreement, I will preserve as confidential all Company Confidential Information and Associated Third Party Confidential Information, including trade secrets, confidential knowledge, data, or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, databases, other original works of authorship, customer lists, business plans, financial information, or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants, or licensees, to the extent required by the terms of that agreement.

I also agree that I will comply with the post-termination obligations enumerated in my Employment Agreement with Company dated _______________________ and Confidential Information, Invention Assignment, and Arbitration Agreement dated _________.

After leaving the Company’s employment, I will be employed by _____________________ in the position of: ______________________.

Signature of employee

________________________

Print name

_____________________

Date

Address for Notifications: ___
Exhibit C
REALPAGE, INC.

CONFLICT OF INTEREST GUIDELINES

It is the policy of RealPage, Inc. to conduct its affairs in strict compliance with the letter and spirit of the law and to adhere to the highest principles of business ethics. Accordingly, all officers, employees, and independent contractors must avoid activities that are in conflict, or give the appearance of being in conflict, with these principles and with the interests of the Company. The following are potentially compromising situations that must be avoided:

1. Revealing confidential information to outsiders or misusing confidential information. Unauthorized divulging of information is a violation of this policy whether or not for personal gain and whether or not harm to the Company is intended. (The At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement elaborates on this principle and is a binding agreement.)

2. Accepting or offering substantial gifts, excessive entertainment, favors, or payments that may be deemed to constitute undue influence or otherwise be improper or embarrassing to the Company.

3. Participating in civic or professional organizations that might involve divulging confidential information of the Company.

4. Initiating or approving personnel actions affecting reward or punishment of employees or applicants where there is a family relationship or is or appears to be a personal or social involvement.

5. Initiating or approving any form of personal or social harassment of employees.

6. Investing or holding outside directorship in suppliers, customers, or competing companies, including financial speculations, where such investment or directorship might influence in any manner a decision or course of action of the Company.

7. Borrowing from or lending to employees, customers, or suppliers.

8. Acquiring real estate of interest to the Company.

9. Improperly using or disclosing to the Company any proprietary information or trade secrets of any former or concurrent employer or other person or entity with whom obligations of confidentiality exist.

10. Unlawfully discussing prices, costs, customers, sales, or markets with competing companies or their employees.

11. Making any unlawful agreement with distributors with respect to prices.

12. Improperly using or authorizing the use of any inventions that are the subject of patent claims of any other person or entity.

13. Engaging in any conduct that is not in the best interest of the Company.

Each officer, employee, and independent contractor must take every necessary action to ensure compliance with these guidelines and to bring problem areas to the attention of higher management for review. Violations of this conflict of interest policy may result in discharge without warning.
AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EMPLOYMENT AGREEMENT (this “Agreement”) is made this 4th day of January, 2016 (the “Effective Date”), by and between Andrew Blount, an individual resident of the State of California (the “Executive”), and RealPage, Inc., a Delaware corporation (the “Employer”), having its principal place of business in Carrollton, Texas.

WHEREAS, Executive and Employer entered into that certain Employment Agreement dated December 11, 2015; and

WHEREAS, Executive and Employer now wish to amend the Employment Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements set forth below, the parties hereby agree as follows:

1. Amend Section 6(b), in its entirety to read as follows:

   Relocation. Executive shall commence working full-time at Employer’s headquarters office no later than March 1, 2016. Employer will provide a one-time relocation package for Executive’s actual expenses incurred in relocating to the Dallas area of up to $80,000, inclusive of applicable taxes, in accordance with the standard terms and conditions of the RealPage Leadership Relocation Policy.”

2. Except as set forth herein, the Employment Agreement is hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have executed this Amendment to Employment Agreement on the date set forth above.

REALPAGE, INC.

By: /s/ Stephen T. Winn
Name: Stephen T. Winn
Title: Chief Executive Officer

EXECUTIVE:

/s/ Andrew Blount
Andrew Blount
CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen T. Winn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ending March 31, 2017 of RealPage, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 5, 2017

/s/ Stephen T. Winn

Stephen T. Winn
Chairman of the Board of Directors, Chief Executive Officer, President and Director
CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, W. Bryan Hill, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ending March 31, 2017 of RealPage, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 5, 2017

/s/ W. Bryan Hill

W. Bryan Hill
Executive Vice President, Chief Financial Officer and Treasurer
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of RealPage, Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2017 (the “Report”), I, Stephen T. Winn, Chairman of the Board of Directors, Chief Executive Officer, President and Director of RealPage, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of RealPage, Inc.

Date: May 5, 2017

/s/ Stephen T. Winn
Chairman of the Board of Directors, Chief Executive Officer, President and Director

A signed original of this written statement required by Section 906 has been provided to RealPage, Inc. and will be retained by RealPage, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.
In connection with the Quarterly Report of RealPage, Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2017 (the “Report”), I, W. Bryan Hill, Executive Vice President, Chief Financial Officer and Treasurer of RealPage, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of RealPage, Inc.

Date: May 5, 2017

/s/ W. Bryan Hill
W. Bryan Hill
Executive Vice President, Chief Financial Officer and Treasurer

A signed original of this written statement required by Section 906 has been provided to RealPage, Inc. and will be retained by RealPage, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.