

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, 2007

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 001-15283

IHOP CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

95-3038279

(I.R.S. Employer  
Identification No.)

450 North Brand Boulevard,  
Glendale, California

(Address of principal executive offices)

91203-1903

(Zip Code)

(818) 240-6055

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

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	Outstanding as of April 27, 2007
Common Stock, \$.01 par value	17,433,020

# IHOP CORP. AND SUBSIDIARIES

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**IHOP CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share amounts)

	<u>March 31, 2007</u>	<u>December 31, 2006</u>
	(Unaudited)	
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 51,818	\$ 19,516
Receivables, net	42,811	45,571
Reacquired franchises and equipment held for sale, net	445	—
Inventories	415	396
Prepaid expenses	5,704	7,493
Deferred income taxes	5,664	5,417
Total current assets	<u>106,857</u>	<u>78,393</u>
Long-term receivables	298,172	302,088
Property and equipment, net	305,637	309,737
Excess of costs over net assets acquired	10,767	10,767
Other assets	80,096	67,885
Total assets	<u>\$ 801,529</u>	<u>\$ 768,870</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Current maturities of long-term debt	\$ —	\$ 19,738
Accounts payable	14,694	14,689
Accrued employee compensation and benefits	8,546	13,359
Other accrued expenses	13,241	11,317
Capital lease obligations	5,197	5,002
Total current liabilities	<u>41,678</u>	<u>64,105</u>
Long-term debt, less current maturities	175,000	94,468
Deferred income taxes	75,269	76,017
Capital lease obligations	168,633	170,412
Other liabilities	75,564	74,655
Commitments and contingencies		
Stockholders' equity		
Preferred stock, \$1 par value, 10,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$.01 par value, 40,000,000 shares authorized; March 31, 2007: 23,035,223 shares issued and 17,457,970 shares outstanding; December 31, 2006: 22,818,007 shares issued and 17,873,548 shares outstanding	228	227
Additional paid-in capital	138,029	131,748
Retained earnings	365,335	358,975
Accumulated other comprehensive loss	—	(133)
Treasury stock, at cost (5,577,253 shares and 4,944,459 shares at March 31, 2007 and December 31, 2006, respectively)	<u>(238,207)</u>	<u>(201,604)</u>
Total stockholders' equity	<u>265,385</u>	<u>289,213</u>
Total liabilities and stockholders' equity	<u>\$ 801,529</u>	<u>\$ 768,870</u>

See the accompanying Notes to Consolidated Financial Statements.

**IHOP CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(In thousands, except per share amounts)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2007</b>	<b>2006</b>
<b>Revenues</b>		
Franchise revenues	\$ 47,050	\$ 45,255
Rental income	33,010	33,350
Company restaurant sales	3,984	3,372
Financing revenues	6,080	6,540
Total revenues	<u>90,124</u>	<u>88,517</u>
<b>Costs and Expenses</b>		
Franchise expenses	21,221	20,498
Rental expenses	24,581	24,648
Company restaurant expenses	4,558	3,756
Financing expenses	2,382	3,040
General and administrative expenses	16,121	15,090
Other expense, net	1,109	1,172
Early debt extinguishment costs	2,223	—
Total costs and expenses	<u>72,195</u>	<u>68,204</u>
Income before provision for income taxes	17,929	20,313
Provision for income taxes	6,616	7,719
<b>Net Income</b>	<u>\$ 11,313</u>	<u>\$ 12,594</u>
<b>Net Income Per Share</b>		
Basic	<u>\$ 0.63</u>	<u>\$ 0.68</u>
Diluted	<u>\$ 0.63</u>	<u>\$ 0.68</u>
<b>Weighted Average Shares Outstanding</b>		
Basic	<u>17,842</u>	<u>18,421</u>
Diluted	<u>18,046</u>	<u>18,650</u>
<b>Dividends Declared Per Share</b>	<u>\$ 0.25</u>	<u>\$ 0.25</u>
<b>Dividends Paid Per Share</b>	<u>\$ 0.25</u>	<u>\$ 0.25</u>

See the accompanying Notes to Consolidated Financial Statements.

**IHOP CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash flows from operating activities</b>		
Net income	\$ 11,313	\$ 12,594
Adjustments to reconcile net income to cash flows provided by operating activities		
Depreciation and amortization	5,180	5,025
Debt extinguishment and other costs	2,223	—
Deferred income taxes	(995)	(1,905)
Stock-based compensation expense	1,065	809
Excess tax benefit from stock-based compensation	(1,498)	(269)
Changes in operating assets and liabilities		
Receivables	2,637	725
Inventories	(19)	(159)
Prepaid expenses	1,789	1,441
Accounts payable	5	6,415
Accrued employee compensation and benefits	(4,813)	(3,397)
Other accrued expenses	(1,713)	798
Other	643	(575)
Cash flows provided by operating activities	<u>15,817</u>	<u>21,502</u>
<b>Cash flows from investing activities</b>		
Additions to property and equipment	(784)	(241)
Additions to long-term receivables	(659)	(144)
Principal receipts from notes and equipment contracts receivable	3,934	4,242
Additions to reacquired franchises held for sale	(429)	(239)
Property insurance proceeds	(26)	2,226
Cash flows provided by investing activities	<u>2,036</u>	<u>5,844</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of long-term debt, including revolving line of credit	190,000	—
Repayment of long-term debt	(129,206)	(514)
Deferred debt issuance costs	(13,335)	—
Prepayment penalties on early debt extinguishment	(1,219)	—
Principal payments on capital lease obligations	(1,583)	(1,046)
Dividends paid	(4,464)	(4,603)
Purchase of treasury stock	(30,961)	(10,628)
Proceeds from stock options exercised	3,719	984
Excess tax benefit from stock-based compensation	1,498	269
Cash flows provided by (used in) financing activities	<u>14,449</u>	<u>(15,538)</u>
Net change in cash and cash equivalents	32,302	11,808
Cash and cash equivalents at beginning of period	19,516	23,111
Cash and cash equivalents at end of period	<u>\$ 51,818</u>	<u>\$ 34,919</u>
<b>Supplemental disclosures</b>		
Interest paid	\$ 7,637	\$ 5,940
Income taxes paid	2,660	732

See the accompanying Notes to Consolidated Financial Statements.

**IHOP CORP. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. General:** The accompanying unaudited consolidated financial statements of IHOP Corp. (the “Company”) have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007.

The consolidated balance sheet at December 31, 2006 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006.

**2. Presentation:** The Company’s fiscal quarter ends on the Sunday closest to the last day of each quarter. For convenience, we report all fiscal quarter endings on March 31, June 30, September 30 and December 31.

**3. Segments:** Our revenues and expenses are recorded in four categories: franchise operations, rental operations, company restaurant operations and financing operations.

Franchise operations revenue consists primarily of royalty revenues, sales of proprietary products, advertising fees and the portion of franchise fees allocated to the Company’s intellectual property. Franchise operations expenses include contributions to the national advertising fund, the cost of proprietary products, pre-opening training expenses and other franchise related costs.

Rental operations revenue includes revenue from operating leases and interest income from direct financing leases. Rental operations expenses are costs of operating leases and interest expense on capital leases on franchise-operated restaurants. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006.

Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, labor and benefits, utilities, rent and other restaurant operating costs.

Financing operations revenue consists of the portion of franchise fees not allocated to the Company’s intellectual property and sales of equipment as well as interest income from the financing of franchise fees and equipment leases. Financing operations expenses are primarily the cost of restaurant equipment and interest expense not associated with capital leases. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006.

Information on segments and a reconciliation to income before income taxes are as follows:

	<u>Franchise Operations</u>	<u>Rental Operations</u>	<u>Company Restaurant Operations</u>	<u>Financing Operations</u>	<u>General and Administrative and Other</u>	<u>Consolidated Total</u>
(In thousands)						
<b>Three Months Ended March 31, 2007</b>						
Revenues from external customers	\$ 47,050	\$ 33,010	\$ 3,984	\$ 6,080	\$ —	\$ 90,124
Intercompany real estate charges	—	3,424	141	—	(3,565)	—
Depreciation and amortization	—	2,848	201	—	2,131	5,180
Interest expense	—	5,317	113	1,915	—	7,345
Provision for income taxes	—	—	—	—	6,616	6,616
Income (loss) before provision for income taxes	25,829	8,429	(574)	3,698	(19,453)	17,929
Total assets	31,203	255,697	8,513	195,768	310,348	801,529
<b>Three Months Ended March 31, 2006</b>						
Revenues from external customers	\$ 45,255	\$ 33,350	\$ 3,372	\$ 6,540	\$ —	\$ 88,517
Intercompany real estate charges	—	5,137	43	—	(5,180)	—
Depreciation and amortization	—	1,594	89	—	3,342	5,025
Interest expense	—	5,415	74	2,000	—	7,489
Provision for income taxes	—	—	—	—	7,719	7,719
Income (loss) before provision for income taxes	24,757	8,702	(384)	3,500	(16,262)	20,313
Total assets	26,670	253,169	6,919	211,299	276,933	774,990

**4. New Accounting Pronouncements:** In September 2006, the FASB issued *FASB Statement No. 157, “Fair Value Measurements”* (“SFAS No. 157”) which defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures about fair value measurements. SFAS No. 157 requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy, as defined. SFAS No. 157 may require companies to provide additional disclosures based on that hierarchy. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. We are currently evaluating the impact adoption of SFAS No. 157 may have on our consolidated financial statements.

In September 2006, the SEC issued *Staff Accounting Bulletin No. 108, “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements”* (“SAB 108”) which provides interpretive guidance on the consideration of the effects of prior year misstatements in quantifying current year misstatements for the purpose of a materiality assessment. Correcting prior year financial statements for immaterial errors would not require previously filed reports to be amended. If a Company determines that an adjustment to prior year financial statements is required upon adoption of SAB 108 and does not elect to restate its previous financial statements, then it must recognize the cumulative effect of applying SAB 108 in fiscal 2006 beginning balances of the affected assets and liabilities with a corresponding adjustment to the fiscal 2006 opening balance in retained earnings. SAB 108 is effective for interim periods of the first fiscal year ending after November 15, 2006. We are currently evaluating the impact of SAB 108 on our consolidated financial statements.

**5. Income Taxes:** The Company or one of its subsidiaries files income tax returns in the federal jurisdiction, Canada and various state jurisdictions. With few exceptions, the Company is no longer subject to federal, state or non-U.S. income tax examinations by tax authorities for years before 2002 for federal and 2000 for other jurisdictions. In November 2006, the Company reached a settlement with respect to the Internal Revenue Service (“IRS”) examination of the Company’s federal income tax returns for the years 2000 through 2003. The settlement requires the Company to accelerate the recognition of income related to the reporting of initial franchise fees to the years under examination. As a result of the settlement, the Company recognized additional taxable income of \$21.9 million in total for the tax years 2000 through 2003 and paid additional tax and interest of \$11.0 million. As provided in the settlement, the Company is

entitled to deduct the reversal of the \$21.9 million in the tax years 2004 through 2008 at a rate of \$4.4 million per year.

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, on January 1, 2007. As a result of the implementation of Interpretation 48, the Company recognized approximately a \$0.7 million increase in the liability for unrecognized tax benefits, excluding related income tax benefits, which was accounted for as a reduction to the January 1, 2007, balance of retained earnings.

The total unrecognized tax benefit as of December 31, 2006 was \$4.4 million, excluding interest, penalties and related income tax benefits. The \$4.4 million would be included in the effective tax rate if recognized. The Company recognizes interest accrued related to unrecognized tax benefits and penalties as a component of income tax expense. As of December 31, 2006, the accrued interest and penalties were \$1.0 million and \$0.1 million, respectively, excluding any related income tax benefits.

As a result of the lapse of the applicable statute of limitations during the year ended December 31, 2007, uncertainty related to the recognition of certain income may be eliminated, resulting in the recognition of \$1.9 million of tax benefits, net of related income tax benefits.

**6. Securitized Debt: Securitization Transaction.** On March 16, 2007, IHOP Franchising, LLC and its wholly owned subsidiary, IHOP IP, LLC (collectively, the “Co-Issuers”), issued \$175 million of Series 2007-1 Fixed Rate Notes (the “Fixed Rate Notes”) and completed a securitized financing facility providing for the issuance of up to \$25 million of 2007-2 Variable Funding Notes (the “Variable Funding Notes” and together with the Fixed Rate Notes, the “Notes”). The Notes are the first issuances under a program that will allow the Co-Issuers to make additional borrowings through the sale of new series of notes from time to time.

The Fixed Rate Notes and the Variable Funding Notes were issued under a Base Indenture dated March 16, 2007 (the “Base Indenture”) and related Series Supplements, each dated March 16, 2007 (together with the Base Indenture, the “Indenture”) among the Co-Issuers and Wells Fargo Bank, National Association, as the Indenture Trustee. The Notes are secured under the Indenture by various types of collateral as described herein. The Notes were issued in private transactions.

*Fixed Rate Notes.* The Fixed Rate Notes have a stated fixed interest rate of 5.144% per annum, an anticipated repayment date on the payment date in March 2012, and a legal final payment date on the payment date in March 2037. The effective interest rate on the Fixed Rate Notes is anticipated to be 7.218%, after taking account of the premium on the Insurance Policy (described below under “Third Party Credit Enhancement”) and the amortization of certain transaction related expenditures. The anticipated repayment date of the Fixed Rate Notes may be extended for two successive one-year periods at the election of the Co-Issuers subject to satisfaction of certain conditions as specified in the Indenture. The interest rate on the Fixed Rate Notes would increase by 0.25% during any such extension period.

*Variable Funding Notes.* The Variable Funding Notes allow for drawings on a revolving basis and have been issued pursuant to the Series 2007-2 Note Purchase Agreement, dated March 16, 2007 (the “Variable Funding Note Purchase Agreement”), among the Co-Issuers, International House of Pancakes, Inc. (“IHOP Inc.”), as Servicer, Wells Fargo Bank, National Association, as Indenture Trustee and Administrative Agent, and certain investors and financial institutions. The Variable Funding Notes will be governed by the Variable Funding Note Purchase Agreement and by certain generally applicable terms contained in the Indenture. Interest on the Variable Funding Notes will generally be payable (a) in the event that commercial paper is issued to fund the Variable Funding Notes, at the rate, which is the per annum rate equivalent to the weighted average of the per annum rate payable by the commercial paper conduit in respect of promissory notes issued by the commercial paper conduit to fund the Variable Funding Notes, and (b) in the event that other means are used to fund the Variable Funding Notes, at per



annum rates equal to (i) a base rate of either the prime rate or the Federal funds rate, plus 0.40%, or (ii) a Eurodollar rate to be determined by reference to the British Banker's Association Interest Settlement Rates for deposits in dollars for the applicable period. While no drawing was made on the Variable Funding Notes at closing, it is expected that amounts will be drawn under the Variable Funding Notes from time to time as needed by the Co-Issuers in connection with the operation of the IHOP franchising business. There is a commitment fee on the unused portion of the Variable Funding Notes of 0.15% per annum.

*New Subsidiaries.* The Co-Issuers are newly created indirect subsidiaries of IHOP Corp. that hold substantially all of the franchising assets used in the operation of the IHOP restaurant franchising business. In connection with the securitization transaction, two other limited liability companies, IHOP Property Leasing, LLC and IHOP Real Estate, LLC, were formed as subsidiaries of IHOP Franchising, LLC and an existing subsidiary, IHOP Properties, Inc. was transferred to IHOP Franchising, LLC and converted to a limited liability company. On and after the closing of the securitization transaction, these three subsidiaries (the "Real Estate Subsidiaries") own the real property assets related to the IHOP franchising business, including the fee and leasehold interests on the real property on which many IHOP restaurants are located and the related leases and sub-leases, respectively, to franchisees.

*Assets Transferred to Subsidiaries; Collateral for the Notes.* In connection with the securitization transaction, the franchise agreements, franchise notes, area license agreements (related to the United States and Mexico), product sales agreements, equipment leases and other assets related to the IHOP franchising business were transferred to IHOP Franchising, LLC, the intellectual property related to the IHOP franchise business, among other things, was transferred to IHOP IP, LLC, the fee interests in real property and related franchisee leases were transferred to IHOP Real Estate, LLC and certain of the leasehold interests related to the IHOP franchised restaurants and the related subleases to franchisees were transferred to IHOP Property Leasing, LLC. The remaining leasehold interests and franchisee subleases are owned by IHOP Properties, LLC. The Co-Issuers have pledged all of their assets to the Indenture Trustee as security for the Notes. Although the Notes are expected to be repaid solely from these subsidiaries' assets, the Notes are solely obligations of the Co-Issuers and none of IHOP Corp., its direct or indirect subsidiaries, including the Real Estate Subsidiaries, guarantee or are in any way liable for the Co-Issuers' obligations under the Indenture, the Notes or any other obligation in connection with the issuance of the Notes. IHOP Corp. has agreed, however, to guarantee the performance of the obligations of IHOP Inc., its wholly owned direct subsidiary, in connection with the servicing of the assets included as collateral for the Notes and certain indemnity obligations relating to the transfer of the collateral assets to the Co-Issuers and the Real Estate Subsidiaries.

*Third Party Credit Enhancement.* The Notes are rated "Aaa," and "AAA" by Moody's Investors Services, Inc. and Standard & Poor's Ratings Services, respectively. Timely payment of interest (other than contingent interest) and the outstanding principal of the Notes are insured under a financial guaranty insurance policy issued by Financial Guaranty Insurance Company ("FGIC"), the obligations of which are rated "Aaa" and "AAA." The insurance policy has been issued under an Insurance and Indemnity Agreement among FGIC, IHOP Corp. and various IHOP Corp. subsidiaries.

*Covenants/Restrictions.* The Notes are subject to a series of covenants and restrictions under the Indenture customary for transactions of this type, including those relating to (i) the maintenance of specified reserve accounts to be used to make required payments in respect of the Notes, (ii) certain debt service coverage ratios to be met, the failure of which may result in early amortization of the outstanding principal amounts due in respect of the Notes or removal of IHOP Inc., as servicer, among other things, (iii) optional prepayment subject to certain conditions, (iv) IHOP Corp.'s maintenance of more than 50% ownership interest in IHOP Inc. and a restriction on IHOP Corp.'s merger with unaffiliated entities, unless IHOP Corp. is the surviving entity or the surviving entity assumes all of IHOP Corp.'s obligations in connection with the securitization transaction and certain other conditions are satisfied, (v) limitations on

indebtedness that may be incurred by IHOP Corp. on a consolidated basis, and (vi) recordkeeping, access to information and similar matters. The Notes are also subject to customary events of default, including events relating to non-payment of interest and principal due on or in respect of the Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breach of representations and warranties, failure of security interest to be effective, a valid claim being made under the relevant insurance policy and the failure to meet the applicable debt service coverage ratio.

*Use of Proceeds.* The net proceeds from the sale of the Fixed Rate Notes on March 16, 2007 was \$171.7 million. Of this amount, \$114.2 million was used to repay existing indebtedness of IHOP Corp; \$2,408,000 was deposited into an interest reserve account for the Fixed Rate Notes; and \$3,110,000 was deposited into a lease payment account for payment to third-party property lessors. IHOP Corp. intends to use the remaining proceeds primarily to pay the costs of the transaction and for share repurchases.

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

**Forward-Looking Statements**

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements in certain circumstances. Certain forward-looking statements are contained in this report. They use such words as “may,” “will,” “expect,” “believe,” “anticipate,” “plan,” or other similar terminology. These statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different than those expressed or implied in such statements. These factors include, but are not limited to: risks associated with the implementation of the Company’s strategic growth plan, the availability of suitable locations and terms of the sites designated for development; the ability of franchise developers to fulfill their commitments to build new IHOP restaurants in the numbers and time frames covered by their development agreements; legislation and government regulation including the ability to obtain satisfactory regulatory approvals; conditions beyond the Company’s control such as weather, natural disasters, disease outbreaks, epidemics or pandemics impacting the Company’s customer base or food supplies or acts of war or terrorism; availability and cost of materials and labor; cost and availability of capital; competition; continuing acceptance of the IHOP and International House of Pancakes brands and concepts by guests and franchisees; the Company’s overall marketing, operational and financial performance; economic and political conditions; adoption of new, or changes in, accounting policies and practices and other factors discussed from time to time in the Company’s press releases, public statements and/or filings with the Securities and Exchange Commission.

The following discussion and analysis provides information we believe is relevant to an assessment and understanding of our consolidated results of operations and financial condition. The discussion should be read in conjunction with the consolidated financial statements and the notes thereto included in Item 1 of Part I of this Quarterly Report and the audited consolidated financial statements and notes thereto and Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

Restaurant Data

The following table sets forth, for the current year and prior year, the number of effective restaurants in the IHOP system and information regarding the percentage change in sales at those restaurants compared to the same period in the prior year. “Effective restaurants” are the number of restaurants in a given period, adjusted to account for restaurants open for only a portion of the period. Information is presented for all effective restaurants in the IHOP system, which includes IHOP restaurants owned by the Company, as well as those owned by franchisees and area licensees. Sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company. However, we believe that presentation of this information is useful in analyzing our revenues because franchisees and area licensees pay us royalties and advertising fees that are generally based on a percentage of their sales, as well as rental payments under leases that are usually based on a percentage of their sales. Management also uses this information to make decisions about future plans for the development of additional restaurants as well as evaluation of current operations.

	Three Months Ended March 31,	
	2007	2006
Restaurant Data		
Effective restaurants(a)		
Franchise	1,128	1,079
Company	11	7
Area license	160	155
Total	1,299	1,241
System-wide(b)		
Sales percentage change(c)	5.3 %	9.4 %
Same-store sales percentage change(d)	0.5 %	5.1 %
Franchise(b)		
Sales percentage change(c)	5.2 %	10.0 %
Same-store sales percentage change(d)	0.6 %	5.2 %
Company		
Sales percentage change(c)	18.1 %	(15.4) %
Same-store sales percentage change(d)	(9.5) %	N/A
Area License(b)		
Sales percentage change(c)	5.0 %	6.1 %

- (a) “Effective restaurants” are the number of restaurants in a given fiscal period adjusted to account for restaurants open for only a portion of the period. Information is presented for all effective restaurants in the IHOP system, which includes IHOP restaurants owned by the Company as well as those owned by franchisees and area licensees.
- (b) “System-wide sales” are retail sales at IHOP restaurants operated by franchisees, area licensees and the Company, as reported to the Company. Franchise restaurant sales were \$504.2 million for the first quarter ended March 31, 2007, and sales at area license restaurants were \$55.5 million for the first quarter ended March 31, 2007. Sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company.
- (c) “Sales percentage change” reflects, for each category of restaurants, the percentage change in sales in any given fiscal period compared to the prior fiscal period for all restaurants in that category.
- (d) “Same-store sales percentage change” reflects the percentage change in sales, in any given fiscal period compared to the prior fiscal period, for restaurants that have been operated throughout both fiscal periods that are being compared and have been open for at least 18 months. Because of new unit openings and store closures, the restaurants open throughout both fiscal periods being compared will be different from period to period. Same-store sales percentage change does not include data on restaurants located in Florida.

The following table summarizes our restaurant development and franchising activity:

	Three Months Ended March 31, <u>2007</u> <u>2006</u> (Unaudited)	
<b>Restaurant Development Activity</b>		
Beginning of period	1,302	1,242
New openings		
Company-developed	—	—
Franchisee-developed	6	7
International franchisee-developed	2	—
Area license	—	3
Total new openings	<u>8</u>	<u>10</u>
Closings		
Company and franchise	(4)	—
Area license	—	—
End of period	<u>1,306</u>	<u>1,252</u>
Summary-end of period		
Franchise	1,133	1,090
Company	13	6
Area license	160	156
Total	<u>1,306</u>	<u>1,252</u>
<b>Restaurant Franchising Activity</b>		
Company-developed	—	—
Franchisee-developed	6	7
International franchisee-developed	2	—
Rehabilitated and refranchised	2	3
Total restaurants franchised	<u>10</u>	<u>10</u>
Reacquired by the Company	(6)	(2)
Closed	<u>(3)</u>	<u>—</u>
Net addition	<u>1</u>	<u>8</u>

**General**

Our approach to franchising is similar to that of most franchising systems in the foodservice industry. Franchisees can undertake individual store development or multi-store development. Under the single store development program, the franchisee is required to pay a non-refundable location fee of \$15,000. If the proposed site is approved for development, the location fee of \$15,000 is credited against an initial franchise fee of \$50,000. The franchisee then uses his or her own capital and financial resources to acquire the site, build and equip the business and fund working capital needs.

In addition to offering single store development agreements for individual restaurants, the Company offers multi-store development agreements for certain qualified franchisees. These multi-store development agreements provide franchisees with an exclusive right to develop new IHOP restaurants in designated geographic territories for a specified period of time. Multi-store developers are required to develop and operate a specified number of restaurants according to an agreed upon development schedule. Multi-store developers are required to pay a development fee of \$20,000 for each restaurant to be developed under a multi-store development agreement. Additionally, for each store which is actually developed, the franchise developer must pay an initial franchise fee of \$40,000 against which the

development fee of \$20,000 is credited. The Company recognizes the franchise fees as income upon the opening of each restaurant. The number of stores and the schedule of stores to be developed under multi-store development agreements are negotiated on an individual basis.

With respect to restaurants developed, the Company receives continuing revenues from the franchisee as follows: (1) a royalty equal to 4.5% of the restaurant’s sales; (2) revenue from the sale of certain proprietary products, primarily pancake mixes; (3) local and national advertising fees totaling approximately 3% of the restaurant’s sales, which is allocated between local and national advertising based on agreements with franchisees.

The following table represents our development commitments including options as of March 31, 2007:

	Number of Signed Agreements at 3/31/07	Scheduled Opening of Restaurants				Total
		Remainder of 2007	2008	2009	2010 and thereafter	
Single-store development agreements	8	5	3	—	—	8
Multi-store development agreements	78	49	70	60	213	392
International territorial agreements	3	2	2	3	17	24
	<u>89</u>	<u>56</u>	<u>75</u>	<u>63</u>	<u>230</u>	<u>424</u>

Prior to 2004, we financed and developed the large majority of new IHOP restaurants prior to franchising them (the “Old Business Model”). Under the Old Business Model, when the restaurant was ultimately franchised, we typically became the franchisee’s landlord and equipment lessor. Our new business model (the “New Business Model”) relies on franchisees to find sources of financing and develop IHOP restaurants. Under the New Business Model, we approve the franchisees’ proposed sites but do not contribute capital or become the franchisee’s landlord. Under the New Business Model, substantially all new IHOP restaurants are financed and developed by franchisees or area licensees.

**Comparison of the Quarter Ended March 31, 2007 to the Quarter Ended March 31, 2006**

**Overview**

Our results for the first quarter of 2007 were impacted by early debt extinguishment costs in the first quarter of 2007, as well as an increase in general and administrative expenses in the first quarter of 2007 compared to the first quarter of 2006. This was partially offset by an increase in franchise operations profit, due to higher revenues associated with franchise restaurant retail sales. A comparison of our financial results for the first quarter of 2007 to those in 2006 included:

- A decrease in net income of \$1.3 million or 10.2%;
- Early debt extinguishment costs in the amount of \$2.2 million related to the Company’s securitized refinancing completed in March 2007;
- An increase in general and administrative expense of \$1.0 million or 6.8%;
- An increase in franchise operations profit of \$1.1 million or 4.3%;
- A decrease in diluted weighted average shares outstanding of 3.2%; and
- An decrease in net income per diluted share of \$0.05 or 7.4%.

**Franchise Operations**

Franchise revenues consist primarily of royalty revenues, sales of proprietary products, advertising fees and the portion of the franchise fees allocated to the Company’s intellectual property. Franchise expenses include contributions to the national advertising fund, the cost of proprietary products,

pre-opening training expenses and other franchise related expenses. Key factors which can be used in evaluating and understanding our franchise operations segment include:

- Franchise retail sales; and
- Number of restaurants franchised.

Franchise operations profit, which is franchise revenues less franchise expenses, increased by \$1.1 million or 4.3% in the first quarter of 2007 compared to the same period in 2006. The 4.3% increase in franchise operations profit was due to the changes in franchise revenues and expenses discussed below.

Franchise restaurant retail sales are sales recorded at restaurants that are owned by franchisees and area licensees and are not attributable to the Company. Franchise restaurant retail sales are useful in analyzing our franchise revenues because franchisees and area licensees pay us royalties and other fees that are generally based on a percentage of their sales.

Franchise revenues grew by \$1.8 million or 4.0% in the first quarter of 2007 compared to the same period in 2006. Franchise revenues grew primarily due to a 5.2% increase in franchise restaurant retail sales. The 5.2% increase in franchise restaurant retail sales was primarily attributable to the following:

- Effective franchise restaurants increased by 4.5%; and
- Same-store sales for franchise restaurants increased by 0.6%.

“Effective restaurants” are the number of restaurants in a given fiscal period adjusted to account for restaurants open for only a portion of the period. Effective franchise restaurants increased by 49 or 4.5% due to new restaurant openings in 2007 and the annualized effect of new restaurant development in 2006.

Franchise expenses increased by \$0.7 million or 3.5% in the first quarter of 2007 compared to the same period in 2006. Franchise expenses such as advertising and the cost of proprietary products are related to franchise restaurant retail sales. The increase in franchise expenses was primarily a result of the 5.2% increase in franchise restaurant retail sales, increasing advertising costs and the cost of proprietary products. Partially offsetting this increase, franchise expenses in the first quarter of 2007 compared to the first quarter of 2006 benefited from a reduction in the amount of financial relief granted to franchisees.

**Rental Operations**

Rental income includes revenue from operating leases and interest income from direct financing leases. Rental expenses are costs of prime operating leases and interest expense on prime capital leases on franchisee-operated restaurants.

A prime lease is a lease between the Company and a third party, the landlord, whereby the Company pays rent to the landlord. Restaurants on these leases are either subleased to a franchisee or, in a few instances, operated by the Company. A sublease is a lease between the Company and a franchisee, whereby the franchisee pays rent to the Company.

Rental operations profit, which is rental income less rental expenses, decreased by \$0.3 million or 3.1% in the first quarter of 2007 compared to the same period in 2006. The primary reason for the decrease in rental operations profit in the first quarter of 2007 was the write-off of deferred rent resulting from terminated subleases on restaurants reacquired. Deferred rent on operating subleases is the difference between straight-line rent and the actual amount received. As a result of restaurants reacquired in 2007, deferred rent in the amount of \$0.3 million was written off in the first quarter of 2007 compared to \$0.2 million in the same period in 2006.

**Company Restaurant Operations**

Company restaurant operations is comprised of our dedicated research and development company-operations market in Cincinnati, Ohio. In addition, from time to time, restaurants developed by the Company under the Old Business Model are returned by franchisees to the Company and operated by the Company.

Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, labor and benefits, utilities, rent and other restaurant operating costs. Key factors which can be used in evaluating and understanding our company operations segment include:

- Company restaurant retail sales;
- Labor and benefits costs;
- Food costs; and
- Changes in the number of effective company-operated restaurants.

Company restaurant operations loss, which is company restaurant sales less company restaurant expenses, was \$0.6 million in the first quarter of 2007 or 49.5% more than the loss of \$0.4 million in the first quarter of 2006. Company restaurant operations loss in the first quarter of 2007 was due primarily to lower levels of sales at some recently opened locations in our Cincinnati market. At the end of the first quarter of 2007, we operated 13 restaurants, ten of which are located in our dedicated Company market of Cincinnati, Ohio.

**Financing Operations**

Financing revenues consist of franchise fees not allocated to the Company’s intellectual property, sales of equipment, as well as interest income from the financing of franchise fees and equipment leases. Financing expenses are primarily the cost of restaurant equipment and interest expense not associated with capital leases. Key factors which can be used in evaluating and understanding our financing operations segment include:

- Changes in franchise and equipment note balances;
- Franchise fees of franchise restaurants, which are based on the number and the average price of company-developed restaurants refranchised; and
- Amount of debt outstanding.

Financing operations profit, which is financing revenues less financing expenses, increased by \$0.2 million or 5.7% in the first quarter of 2007 compared to the same period in 2006. The 5.7% increase in financing operations profit was primarily due to the changes in financing revenues and expenses discussed below. In addition, the first quarter of 2007 included the refranchising of two restaurants in Beaumont, Texas for a gain of \$0.7 million.

Financing revenues decreased by \$0.5 million or 7.0% in the first quarter of 2007 compared to the same period in the prior year. The decrease in revenues was primarily a result of the decrease in franchise and equipment note interest due to the expected reduction in franchise fee note balances.

Financing expenses decreased by \$0.7 million or 21.6% in the first quarter of 2007 compared to the same period in 2006. This is primarily due to a decrease in franchise and equipment costs associated with the decreased number of company-developed and rehabilitated and refranchised restaurants. In the first quarter of 2007, the Company had \$0.5 million in expenses associated with two refranchised restaurants, located in Beaumont, Texas, compared to \$1.0 million in expenses associated with three refranchised restaurants in the first quarter of 2006.



**General and Administrative Expenses**

General and administrative expenses increased by \$1.0 million or 6.8% in the first quarter of 2007 compared to the same period in the prior year. The increase in general and administrative expenses was primarily due to increases in salaries and wages in the amount of \$0.7 million in the first quarter of 2007 compared to the same period in the prior year. In addition, general and administrative expenses were impacted by increased expenses related to our Performance Share Plans for executive management in the amount of \$0.4 million in the first quarter of 2007 compared to the prior year.

**Early Debt Extinguishment Costs**

Early debt extinguishment costs in the amount of \$2.2 million in the first quarter of 2007 resulted from early debt retirement through funds generated from a securitization transaction. These costs include \$1.2 million for prepayment penalties as a result of paying off pre-existing debt, and \$1.0 million related to the write-off of deferred financing costs.

**Provision for Income Taxes**

Our effective tax rate for the first quarter of 2007 was 36.9% compared to 38.0% for the first quarter of 2006. The decrease in our effective tax rate was primarily due to the effect of filing amended federal and New Jersey income tax returns to recover taxes previously paid.

**Liquidity and Capital Resources**

Our cash from operations and principal receipts from notes and equipment contracts receivable are the sources of cash that allow us to pursue our capital investment strategies and return cash to our stockholders. An additional source of cash in the first quarter of 2007 was the proceeds from the securitization transaction which was completed on March 16, 2007. Over the last several years we have utilized our excess cash flow to:

- Repurchase our common stock in order to return excess capital to our stockholders and provide further capital return to our stockholders through dividends, which we began paying in 2003;
- Invest in information technology which includes supporting point-of-sales systems in our franchise restaurants and improving franchise support at the Restaurant Support Center; and
- Invest in new assets related to the development of our company operations market in Cincinnati, Ohio for the purposed of developing operations initiatives, product testing and training programs.

At present, it is the Company’s intention to continue to utilize excess cash flow for these and other corporate purposes.

***Sources and Uses of Cash***

Our primary sources of liquidity are cash provided by operating activities and principal receipts from notes and equipment contracts receivable from our franchisees. Principal uses of cash are common stock repurchases, payments of dividends, capital investment and payments on debt.

Cash provided by operating activities is primarily driven by revenues earned and collected from our franchisees. Franchise revenues primarily are royalties, advertising fees and sales of proprietary products which fluctuate with increases or decreases in franchise retail sales. Franchise retail sales are impacted by the development of IHOP restaurants by our franchisees and by fluctuations in same-store sales.

Cash provided by operating activities decreased to \$15.8 million in the first quarter of 2007 from \$21.5 million in the same period in 2006. The decrease was due primarily due to a decrease in accounts payable as a result of the timing of tax payments in the first quarter of 2007.

#### ***Strategic Alternatives***

We intend to seek opportunities for growth, including potentially significant investments in, or acquisitions of, other non-competitive restaurant businesses where we can do so on favorable economic terms. In the event the Company makes a significant investment in, or acquisition of other non-competitive restaurant businesses, the Company may need to seek additional financing.

#### ***Share Repurchases and Dividends***

On August 21, 2006, our Board of Directors approved a 2.0 million share increase in the Company's ongoing share repurchase authorization. Based on this and previous share repurchase authorizations, the Company repurchased 659,359 shares of common stock for \$37.6 million in the first quarter of 2007 under our stock repurchase program. As of March 31, 2007, 1.5 million shares remained available for repurchase from the Company's total share repurchase authorization. Since 2003, the Company has bought back 5.7 million shares for a total of \$240.6 million.

The Company has paid regular quarterly dividends of \$0.25 per common share since May 2003. On April 5, 2007, the Company declared a quarterly cash dividend of \$0.25 per common share, payable on May 22, 2007, to stockholders of record as of May 1, 2007. Future dividends will be declared at the discretion of the Board of Directors.

#### ***Capital Investment***

Capital expenditures were increased to \$0.8 million in the first quarter of 2007 from \$0.2 million in the first quarter of 2006. The increase in capital expenditures primarily reflects an increased investment in information technology initiatives, including our disaster recovery program.

#### ***Debt Instruments and Related Covenants***

On March 16, 2007, the Company refinanced all existing bank indebtedness through a securitization transaction consisting of \$175 million of Series 2007-1 Fixed Rate Notes and a securitized financing facility providing for the issuance of up to \$25 million of 2007-2 Variable Funding Notes. Please refer to Note 6 in the Notes to the Consolidated Financial Statements for further discussion of the details of this transaction.

#### ***Critical Accounting Policies***

We prepare our Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles. The preparation of these financial statements requires senior management to make estimates, assumptions and subjective or complex judgments that are inherently uncertain and may significantly impact the reported amounts of assets, liabilities, revenue and expenses during the reporting period. Changes in the estimates, assumptions and judgments affecting the application of these policies may result in materially different amounts being reported under different conditions or using different assumptions. We consider the following policies to be most critical in understanding the judgments that are involved in preparing our Consolidated Financial Statements.

#### ***Income Taxes***

We provide for income taxes based on our estimate of federal and state tax liabilities. Our estimates include, but are not limited to, effective state and local income tax rates, allowable tax credits for items

such as FICA taxes paid on reported tip income and estimates related to depreciation expense allowable for tax purposes. We usually file our income tax returns several months after our fiscal year-end. All tax returns are subject to audit by federal and state governments, usually years after the returns are filed, and could be subject to differing interpretation of the tax laws.

Deferred tax accounting requires that we evaluate net deferred tax assets to determine if these assets will more likely than not be realized in the foreseeable future. This test requires projection of our taxable income into future years to determine if there will be taxable income sufficient to realize the tax assets. The preparation of the projections requires considerable judgment and is subject to change to reflect future events and changes in the tax laws.

In July 2006, the FASB issued Interpretation 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”), which became effective for the Company beginning in 2007. FIN 48 addresses the determination of how tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN 48, the Company must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution. The impact on the Company’s reassessment of its tax positions in accordance with FIN 48 did not have a material impact on the results of operations, financial condition or liquidity.

***Leases***

Of the 1,133 franchisee-operated restaurants, 61 were located on sites owned by us, 719 were located on sites leased by us from third parties and 353 were located on sites owned or leased by franchisees. We account for our leases under the provisions of FASB Statement No. 13, *Accounting for Leases* (SFAS 13) and subsequent amendments, which require that our leases be evaluated and classified as operating or capital leases for financial reporting purposes. We recognize rent expense for our operating leases, which have escalating rentals over the term of the lease, on the straight-line basis over the initial term. In addition, the lease term is deemed to commence when we take physical possession of the leased property. Prior to January 2006, we capitalized rent expense through the construction period and reported the related asset in property and equipment. Capitalized rent was amortized through depreciation and amortization expense over the estimated useful life of the related assets limited to the lease term. Beginning in January 2006, we expense rent on a straight-line basis from possession date through restaurant open date as an operating expense, in accordance with *FASB Staff Position No. 13-1, “Accounting for Rental Costs Incurred During a Construction Period”*. We use a consistent lease term when calculating depreciation of leasehold improvements, when determining straight-line rent expense and when determining classification of our leases as either operating or capital. Contingent rents are generally amounts due as a result of sales in excess of amounts stipulated in certain restaurant leases and are included in rent expense as they accrue.

Certain of our lease agreements contain tenant improvement allowances. For purposes of recognizing incentives, we amortize the incentives over the shorter of the estimated useful life or lease term. For tenant improvement allowances, we also record a deferred rent liability or an obligation in our non-current liabilities on the consolidated balance sheets.

***Stock-Based Compensation***

The Company accounts for stock-based compensation in accordance with SFAS 123R. Under the provisions of SFAS 123R, stock-based compensation cost is estimated at the grant date based on the award’s fair-value as calculated by a Black Scholes Merton option pricing model (the “Black Scholes

model”) and is recognized as expense ratably over the requisite service period. The Black Scholes model requires various highly judgmental assumptions including volatility, forfeiture rates, and expected option life. If any of the assumptions used in the model change significantly, stock-based compensation expense may differ materially in the future from that recorded in the current period.

#### ***Accounting for Long-Lived Assets***

We regularly evaluate our long-lived assets for impairment at the individual restaurant level. Restaurant assets are evaluated for impairment on a quarterly basis or whenever events or circumstances indicate that the carrying value of a restaurant may not be recoverable. We consider factors such as the number of years the restaurant has been operated by the Company, sales trends, cash flow trends, remaining lease life, and other factors which apply on a case by case basis. These impairment evaluations require an estimation of cash flows over the remaining useful life of the asset.

Recoverability of the restaurant’s assets is measured by comparing the assets’ carrying value to the undiscounted future cash flows expected to be generated over the assets’ remaining useful life or remaining lease term, whichever is less. If the total expected undiscounted future cash flows are less than the carrying amount of the assets, the carrying amount is written down to the estimated fair value, and a loss resulting from impairment is recognized by a charge to earnings. The fair value is determined by discounting the estimated future cash flows based on our cost of capital.

Judgments and estimates made by the Company related to long-lived assets are affected by factors such as economic conditions, changes in franchise historical resale values, and changes in operating performance. As the Company assesses the ongoing expected cash flows and carrying value of its long-lived assets, these factors could cause the Company to realize impairment charges which would be reflected in the Consolidated Statements of Income.

#### **New Accounting Pronouncements**

In September 2006, the FASB issued *FASB Statement No. 157, “Fair Value Measurements”* (“SFAS No. 157”) which defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures about fair value measurements. SFAS No. 157 requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy, as defined. SFAS No. 157 may require companies to provide additional disclosures based on that hierarchy. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. We are currently evaluating the impact adoption of SFAS No. 157 may have on our consolidated financial statements.

In September 2006, the SEC issued *Staff Accounting Bulletin No. 108, “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements”* (“SAB 108”) which provides interpretive guidance on the consideration of the effects of prior year misstatements in quantifying current year misstatements for the purpose of a materiality assessment. Correcting prior year financial statements for immaterial errors would not require previously filed reports to be amended. If a company determines that an adjustment to prior year financial statements is required upon adoption of SAB 108 and does not elect to restate its previous financial statements, then it must recognize the cumulative effect of applying SAB 108 in fiscal 2006 beginning balances of the affected assets and liabilities with a corresponding adjustment to the fiscal 2006 opening balance in retained earnings. SAB 108 is effective for interim periods of the first fiscal year ending after November 15, 2006. We are currently evaluating the impact of SAB 108 on our consolidated financial statements.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

There were no material changes from the information contained in the Company’s Annual Report on Form 10-K as of December 31, 2006.

**Item 4. Controls and Procedures.**

**Disclosure Controls and Procedures.**

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company’s disclosure controls and procedures are effective.

**Changes in Internal Control Over Financial Reporting.**

There have been no significant changes in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

## Part II. OTHER INFORMATION

### Item 1. Legal Proceedings.

We are party to certain litigation arising in the ordinary course of business which, in the opinion of management, should not have a material adverse effect upon either the Company's consolidated financial position or results of operations.

### Item 1A. Risk Factors.

There were no material changes from the information contained in the Company's Annual Report on Form 10-K as of December 31, 2006.

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

(a)—(b) Not applicable

(c) The following table provides information relating to the Company's repurchases of stock for the three months ended March 31, 2007:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs(2)
January 1, 2007—January 31, 2007	—	\$ —	—	2,208,424
February 1, 2007—February 28, 2007	—	\$ —	—	2,208,424
March 1, 2007—March 31, 2007	659,359	\$ 56.98	659,359	1,549,065
Total	<u>659,359</u>	<u>\$ 56.98</u>	<u>659,359</u>	<u>1,549,065</u>

- (1) Total number of shares repurchased through March 31, 2007 under the stock repurchase plan announced in January 2003 is 5,650,935. This includes 4,991,576 shares repurchased in 2003, 2004, 2005 and 2006.
- (2) The above mentioned stock repurchase plan provided for the repurchase of up to 7.2 million shares, which includes a 2.0 million share increase authorized by our Board of Directors on August 21, 2006.

### Item 3. Defaults Upon Senior Securities.

None.

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

None.

### Item 5. Other Information.

None.

### Item 6. Exhibits.

- 3.1 Restated Certificate of Incorporation of IHOP Corp. (Exhibit 3.1 to IHOP Corp.'s Form 10-K for the fiscal year ended December 31, 2002 is incorporated herein by reference).
- 3.2 Bylaws of IHOP Corp. (Exhibit 3.2 to IHOP Corp.'s Form 10-K for the fiscal year ended December 31, 2002 is incorporated herein by reference).

- 3.3 Amendment to the bylaws of IHOP Corp. dated November 14, 2000 (Exhibit 3.3 to IHOP Corp.'s Form 10-Q for the quarterly period ended March 31, 2001 is incorporated herein by reference).
- 4.1 Base Indenture, dated as of March 16, 2007, by and among IHOP Franchising, LLC, IHOP IP, LLC and Wells Fargo Bank, National Association.
- 4.2 Servicing Agreement, dated as of March 16, 2007, by and among IHOP Franchising, LLC, IHOP IP, LLC, IHOP Property Leasing, LLC, IHOP Properties, LLC, IHOP Real Estate, LLC, International House of Pancakes, Inc. and Wells Fargo Bank, National Association, as Indenture Trustee.
- 4.3 Parent Asset Sale Agreement, dated as of March 16, 2007, by IHOP Holdings, LLC, as Purchaser, and International House of Pancakes, Inc. as Seller.
- 4.4 Guaranty, dated as of March 16, 2007, by IHOP Corp., in favor of IHOP Holdings, LLC.
- 4.5 Series 2007-1 Fixed Rate Term Notes Purchase Agreement, dated as of March 16, 2007, by and among IHOP Franchising, LLC, IHOP IP, LLC, IHOP Corp, and Goldman and Sachs & Co.
- 4.6 Series Supplement for the Series 2007-1 Fixed Rate Term Notes, dated as of March 16, 2007, by and among IHOP Franchising, LLC, IHOP IP, LLC, Wells Fargo Bank, National Association and Financial Guaranty Insurance Company.
- 4.7 Series Supplement for the Series 2007-2 Variable Funding Notes, dated as of March 16, 2007, by and among IHOP Franchising, LLC, IHOP IP, LLC, Wells Fargo Bank, National Association and Financial Guaranty Insurance Company.
- 4.8 Variable Funding Note Purchase Agreement, dated as of March 16, 2007, by and among IHOP Franchising, LLC, IHOP IP, LLC, International House of Pancakes, Inc., Wells Fargo, National Association, as Indenture Trustee, certain conduit investors, as Conduit Investors, certain financial institutions, as Committed Note Purchaser, certain Funding Agents and Wells Fargo Bank, National Association, as Administrative Agent.
- 11.0 Statement Regarding Computation of Per Share Earnings.
- 31.1 Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 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.
- 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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

IHOP CORP.  
(Registrant)

<div>May 9, 2007</div> <div>(Date)</div>	BY: <div>/s/ JULIA A. STEWART</div> <div>Chairman and Chief Executive Officer</div> <div>(Principal Executive Officer)</div>
<div>May 9, 2007</div> <div>(Date)</div>	<div>/s/ THOMAS CONFORTI</div> <div>Chief Financial Officer</div> <div>(Principal Financial Officer)</div>



IHOP FRANCHISING, LLC,  
as Issuer

and

IHOP IP, LLC,  
as Co-Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Indenture Trustee

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BASE INDENTURE

Dated as of March 16, 2007

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Asset Backed Notes  
(Issuable in Series)

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BASE INDENTURE, dated as of March 16, 2007, among IHOP FRANCHISING, LLC, a Delaware limited liability company (the “Issuer”), IHOP IP, LLC, a Delaware limited liability company (“Co-Issuer” and, together with the Issuer, the “Co-Issuers”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (herein, together with its permitted successors in the trusts hereunder, called the “Indenture Trustee”).

PRELIMINARY STATEMENT

Each of the Co-Issuers is duly authorized to execute and deliver this Indenture to provide for the Notes issuable as provided in this Indenture. All covenants and agreements made by the Co-Issuers herein are for the benefit of each Holder of the Notes, the Indenture Trustee, each Hedge Counterparty, each Insurer, each Note Owner and each Noteholder, as applicable. The Indenture Trustee (for the benefit of each Note Owner and each Noteholder), each Hedge Counterparty and each Insurer is referred to herein as a “Secured Party” and collectively are referred to herein as the “Secured Parties”. Each of the Co-Issuers is entering into this Indenture, and the Indenture Trustee is accepting the trusts created hereby.

All things necessary to make this Indenture a valid agreement of each of the Co-Issuers in accordance with the terms hereof have been done.

GRANTING CLAUSES

Each of the Co-Issuers hereby Grants to the Indenture Trustee, for its own benefit and security and for the benefit and security of the other Secured Parties, all of the Issuer’s and the Co-Issuer’s assets, respectively, including each of the Co-Issuers’ right, title and interest in, to and under, in each case, whether now owned or existing, or hereafter acquired or arising, in all accounts, deposit accounts, chattel paper, documents, equipment, financial assets, general intangibles, goods, instruments, inventory, investment property, letter of credit rights, letters of credit, money, payment intangibles, supporting obligations, insurance, and proceeds thereof (as such terms are defined in the UCC), including but not limited to:

- (a) the Franchise Agreements and all rights to enter into future franchise agreements for Restaurants worldwide;
  - (b) the Area License Agreements (other than for Canada) and all rights to enter into future area license agreements worldwide;
  - (c) the Development Agreements and all rights to enter into future development agreements worldwide;
  - (d) the Product Sourcing Agreement and all rights to enter into future product sourcing agreements worldwide;
  - (e) the Franchisee Notes and all rights to enter into future franchise notes and other financing agreements for Restaurants worldwide;
  - (f) the Equipment Leases;
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(g) the Asset Transfer Agreements;

(h) the Servicing Agreement;

(i) with respect to the Grant by the Issuer, the Issuer's rights and interests with respect to (A) the Parent Asset Sale Agreement (including the benefit of IHOP Inc.'s representations, warranties, covenants and indemnities thereunder) and the related Guaranty of IHOP Corp., dated the date hereof, (B) the Holdings Asset Sale Agreement, (C) the Type 1 Property Lease Asset Sale Agreement (including the benefit of IHOP Holdings' representations, warranties, covenants and indemnities thereunder, as pledged to the Issuer as security in respect of the Type 1 Property Lease Credit Agreement), (D) the IP Asset Contribution Agreement (as pledged to the Issuer as security in respect of the IP License Agreement) and (E) the Owned Real Property Asset Sale Agreement (as pledged to the Issuer as security in respect of the Owned Real Property Credit Agreement);

(j) the IP Assets and the right to bring an action at law or in equity for any infringement, dilution or violation thereof occurring prior to, on or after the Closing Date, and to collect all damages, settlement and proceeds relating thereto (such security interests to be perfected as required under the Indenture in the United States, Mexico and Canada and such other countries as may be required after the Closing Date under the Transaction Documents);

(k) the IP License Agreement;

(l) with respect to the Grant by the Issuer, the Issuer's rights in the Licensed IP granted by the Co-Issuer to the Issuer to secure the Co-Issuer's obligations under the IP License Agreement;

(m) with respect to the Grant by the Issuer, the limited liability company membership interests of the Issuer representing 100 percent of the equity ownership of and principal security interests in all of the assets of each of (i) Co-Issuer, (ii) IHOP Property Leasing, (iii) IHOP Properties and (iv) IHOP Real Estate;

(n) the Type 1 Property Lease Credit Agreement, the IHOP Property Leasing Assignments of Rents and the Leasehold Mortgage; *provided, however*, that the Leasehold Mortgage with respect to any Property Lease shall be deemed null and void *ab initio* and of no force or effect in the event that the execution, recording or enforcement of thereof causes a breach under such Property Lease;

(o) the Owned Real Property Credit Agreement, the Owned Real Property Mortgage and the IHOP Real Estate Assignments of Rents;

(p) with respect to the Grant by the Issuer, the guarantee of IHOP Corp. in the Servicing Agreement in favor of the Issuer to secure the Servicer's performance of its obligations under the Servicing Agreement;

(q) any interest in the equipment subject to the Equipment Leases;

(r) all IHOP Operated Restaurant Sub-licensing Fees;



(s) any and all other property of every name and nature, now and hereafter transferred, mortgaged, pledged, or assigned to the Issuer as security for payment or performance of any obligation under the Credit Agreements;

(t) any and all other property of every name and nature, now or hereafter transferred, mortgaged, pledged, or assigned as security for payment or performance of any obligation of the Franchisees, Area Licensees or other Persons, as applicable, to the Issuer under the Franchise Agreements, the Area License Agreements, the Product Sourcing Agreements, the Property Leases, the Development Agreements, the Franchisee Leases, the Franchisee Subleases, the Equipment Leases and the Franchisee Notes, and the rights evidenced thereby or reflected therein (the assets, rights and interests described in clauses (a) through (v) of this paragraph, along with all payments, proceeds and accrued and future rights to payment relating thereto, the “Franchise Assets”);

(u) the Indenture Trust Accounts, the Lock-Box Account, the Lease and Reimbursement Payment Account and the Residual Account;

(v) the books and records (whether in physical, electronic or other form) of each of the Co-Issuers, including those books and records maintained by the Servicer on behalf of the Issuer relating to the Franchise Assets and on behalf of the Co-Issuer relating to the IP Assets;

(w) rights, powers, remedies and authorities of Issuer arising under the Transaction Documents (other than this Indenture) and any agreements relating to the Franchise Assets;

(x) rights, powers, remedies and authorities of the Co-Issuer, if any, under the Transaction Documents (other than this Indenture) and any agreements related to the IP Assets, including, but not limited to, the Foreign/Type 3 IP License Agreement and any other license agreement entered into by the Co-Issuer;

(y) any and all other property of the Co-Issuers now or hereafter acquired (perfected, in the case of IP Assets, as required under the Indenture in the United States, Mexico and Canada and such other countries as may be required after the Closing Date under the Transaction Documents) other than the Advertising Funds and the Advertising Funds Account (and any funds on deposit therein); and

(z) all payments, proceeds and accrued and future rights to payment with respect to the foregoing (the assets, rights and interests described in clauses (a) through (z) of these Granting Clauses, subject to the proviso below, collectively referred to herein as the “Collateral”);

*provided* that the Collateral shall not include (i) with respect to the Issuer, the Advertising Funds and the Advertising Funds Account (and any funds on deposit therein), (ii) with respect to the Issuer and the Co-Issuer, any right to use third party Intellectual Property to the extent such rights are not assignable; *provided, further*, that at the Closing, the only third-party Intellectual Property which is non-assignable is the licensed Software set forth on Schedule 3 hereto, and other types of Intellectual Property which are not material; *provided, further*, that

any applications for trademarks and service marks filed in the U.S. Patent and Trademark Office (“PTO”) on the basis of the applicant’s intent to use such mark pursuant to 15 U.S.C. Section 1051, shall not be included in the Collateral unless and until evidence of use of such mark in interstate commerce is submitted to the PTO pursuant to 15 U.S.C. Section 1060(a), whereupon, such application shall be deemed automatically included in the Collateral.

Such Grants are made, however, in trust, to secure the Notes equally and ratably without prejudice, priority or distinction between any Note and any other Note by reason of difference in time of issuance or otherwise, except as expressly provided in this Indenture, and to secure the prompt and complete payment and observance and performance of the Secured Obligations.

The Issuer’s obligations to pay premium and any and all other amounts, including but not limited to, reimbursements indemnities and other costs or liabilities incurred by each Insurer in connection with its obligations as an insurer under or in connection with the Transaction Documents, are secured equally and ratably with the amounts due on the Notes hereunder in accordance with and subject to the allocation priorities and the priorities of payment set forth in Article X and Article XI hereof.

Except to the extent otherwise provided in this Indenture, each of the Co-Issuers does hereby constitute and irrevocably appoint (until this Indenture is terminated) the Indenture Trustee its true and lawful attorney with full power (in the name of the Co-Issuers or otherwise) to exercise the rights of the Co-Issuers with respect to the Collateral held for the benefit and security of the Secured Parties and to ask, require, demand, receive, settle, compromise, compound and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of any of the Collateral held for the benefit and security of the Secured Parties, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Indenture Trustee may deem to be necessary or advisable in the premises. The power of attorney granted pursuant to this Indenture and all authority hereby conferred are granted and conferred solely to protect the Indenture Trustee’s interest in the Collateral held for the benefit and security of the Secured Parties and shall not impose any duty upon the Indenture Trustee to exercise any power except as expressly provided herein or in any other Transaction Documents. This power of attorney shall be irrevocable as one coupled with an interest prior to the payment in full of all the obligations secured hereby.

Except to the extent otherwise provided in this Indenture, this Indenture shall constitute a security agreement under the laws of the State of New York applicable to agreements made and to be performed therein. Upon the occurrence of any Event of Default with respect to the Notes, and in addition to any other rights available under this Indenture or any other instruments included in the Collateral held for the benefit and security of the Secured Parties or otherwise available at law or in equity, the Indenture Trustee shall have all rights and remedies of a secured party on default under the laws of the State of New York and other applicable law to enforce the assignments and security interests contained herein and, in addition, shall have the right, subject to compliance with any mandatory requirements of applicable law, to sell or apply any rights and other interests assigned or pledged hereby in accordance with the terms hereof at public or private sale, in each case, subject to the rights of the Series Controlling

Parties or the Aggregate Controlling Party, as applicable, under the relevant Transaction Documents.

It is expressly agreed that each of the Co-Issuers shall remain liable under any of the applicable agreements included in the Collateral to perform (or to engage the Servicer (or, to the extent permitted under the Franchise Documents, other third parties) to perform on its behalf) all the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and except as otherwise expressly provided herein, the Indenture Trustee shall not have any obligations or liabilities under such agreements by reason of or arising out of this Indenture, nor shall the Indenture Trustee be required or obligated in any manner to perform or fulfill any obligations of either of the Co-Issuers under or pursuant to such agreements or to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by it, to present or file any claim, or to take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

The Indenture Trustee acknowledges such Grants, accepts the trusts hereunder in accordance with the provisions hereof and agrees to perform the duties herein in accordance with, and subject to, the terms hereof in order that the interests of the Secured Parties may be adequately and effectively protected in accordance with this Indenture.

ARTICLE I

DEFINITIONS

Section 1.1            Definitions. Except as otherwise specified herein or as the context may otherwise require, capitalized terms used herein shall for all purposes of this Indenture have the respective meanings provided in Appendix A hereto.

Section 1.2            Rules of Construction. Unless the context otherwise clearly requires:

- (i)            the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined;
- (ii)           whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;
- (iii)           the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation”;
- (iv)           the word “will” shall be construed to have the same meaning and effect as the word “shall”;
- (v)           any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein);

(vi) any reference herein to any Person, or to any Person in a specified capacity, shall be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be;

(vii) all references in this instrument to designated "Articles," "Sections," "subsections," "clauses" and other subdivisions are to the designated Articles, Sections, subsections, clauses and other subdivisions of this instrument as originally executed, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, subsection, clause or other subdivision;

(viii) any reference herein to "knowledge" or "actual knowledge" of any party hereto with respect to an event shall mean the actual knowledge of (i) the Chief Executive Officer, the Chief Financial Officer, the Treasurer, the Comptroller, the General Counsel or the Director of Finance of the Servicer, (ii) any manager or director (as applicable) of any Securitization Entity who is also a director or an officer of the Servicer and/or IHOP Corp. or (iii) an Authorized Officer of the Servicer or either Co-Issuer directly responsible for managing the servicing of the relevant asset or for administering the transactions relevant to such event; and

(ix) any determination made by the Servicer shall be made in accordance with the Servicing Standard as set forth in the Servicing Agreement.

## ARTICLE II

### THE NOTES

Section 2.1 Forms Generally. The Notes and the Authenticating Agent's certificate of authentication thereon (the "Certificate of Authentication") shall be in substantially the forms required by this Article II, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may be consistent herewith, determined by the Authorized Officers of the Co-Issuers executing such Notes as evidenced by their execution of such Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note. The Notes shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders), all as determined by the officer(s) executing such Notes, as evidenced by their execution of such Notes. Each Note shall be issued in registered form and dated the date of its authentication. The terms of the Notes set forth in the Exhibits hereto are part of the terms of this Indenture.

Section 2.2 Forms of Notes and Certificate of Authentication. (a) The form of the Notes, including the Certificate of Authentication, shall be substantially as set forth, respectively, as exhibits to the applicable Series Supplement, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or

endorsements placed thereon, as may be consistent herewith, determined by the Authorized Officers of the Co-Issuers executing such Notes as evidenced by their execution of such Notes.

(b) (i) Notes offered and sold in reliance on Rule 144A to Persons that are QIBs (who are also QPs) shall be issued initially in the form of a Rule 144A Global Note, which shall be deposited with the Indenture Trustee, as custodian for DTC and registered in the name of DTC or a nominee of DTC, duly executed by the Co-Issuers and authenticated by the Indenture Trustee as hereinafter provided. The Aggregate Outstanding Principal Amount of the Rule 144A Global Notes of a Series of Notes may from time to time be increased or decreased by adjustments made on the records of the Indenture Trustee or DTC or its nominee, as the case may be, as hereinafter provided.

(ii) Notes offered and sold in reliance on Regulation S to Persons that are non U.S. Persons shall be issued in the form of Regulation S Global Notes, which shall be deposited with the Indenture Trustee, as custodian for DTC and registered in the name of DTC or the nominee of DTC for the respective accounts of Euroclear and Clearstream, duly executed by the Co-Issuers and authenticated by the Indenture Trustee as hereinafter provided. The Aggregate Outstanding Principal Amount of the Regulation S Global Notes of a Series of Notes may from time to time be increased or decreased by adjustments made on the records of the Indenture Trustee or DTC or its nominee, as the case may be, as hereinafter provided.

(c) Definitive Notes. Subject to Section 2.10, the Global Notes may be issued in the form of one or more certificated notes in definitive, fully registered form without interest coupons with the applicable legends set forth in exhibits to the applicable Series Supplement, respectively added to the form of such securities (each, a “Definitive Note”).

(d) Book-Entry Provisions. This Section 2.2(d) shall apply only to securities in global form (the “Global Notes”) deposited with or on behalf of DTC.

Agent Members shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Indenture Trustee, as custodian for DTC, or under the Global Note, and DTC may be treated by the Co-Issuers, the Indenture Trustee, and any agent of the Co-Issuers or the Indenture Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Co-Issuers, the Indenture Trustee, or any agent of the Co-Issuers or the Indenture Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or impair, as between DTC and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Note.

(e) Physical Delivery. Except as provided in Section 2.2(c) and Section 2.10, owners of beneficial interests in a Series of Global Notes shall not be entitled to receive physical delivery of certificated Notes representing such Series of Global Notes.

Section 2.3 Authorized Amount; Issuable in Series. (a) The Aggregate Outstanding Principal Amount of Notes which may be authenticated and delivered under this Indenture is subject to the limitations and conditions imposed by this Indenture, any Series Supplement and any other Transaction Documents.

(b) The Notes shall be offered and sold by the Co-Issuers without registration under the Securities Act in reliance upon Rule 144A or Regulation S of the Securities Act.

(c) The Notes may be issued in one or more Series of Notes. Each Series of Notes shall be created by a Series Supplement substantially in the form of Exhibit G hereto. Notes of any Series of Notes not issued on the Closing Date may not be issued prior to the fourth Accounting Date following the Closing Date. Notes of a new Series of Notes may from time to time be executed by the Co-Issuers and delivered to the Indenture Trustee for authentication and thereupon the same shall be authenticated and delivered by the Indenture Trustee upon the receipt by the Indenture Trustee of a Company Order at least three Business Days in advance of the date of issuance of such Series of Notes and upon delivery by the Co-Issuers to the Indenture Trustee and each Insurer of the following:

(i) a Company Order authorizing and directing the authentication and delivery of the Notes of such new Series of Notes by the Indenture Trustee and specifying the designation of such new series, the Aggregate Outstanding Principal Amount of Notes of such new series to be authenticated and the Series Note Interest Rate (or the method for allocating interest payments or other cash flow) with respect to such new Series;

(ii) a Series Supplement substantially in the form of Exhibit G hereto executed by the Co-Issuers and the Indenture Trustee and the Insurer, if any, of any Notes of such Series of Notes and specifying the Principal Terms of such new Series;

(iii) the related Series Hedge Agreement, if any, executed by each of the Parties thereto;

(iv) the Insurance Agreement or other credit enhancement agreement, if any, executed by each of the parties thereto;

(v) if Notes of a different Series will be Outstanding at the proposed Issuance Date of such Notes, written confirmation that the Rating Agency Condition shall have been satisfied as to such other Notes with reference to such issuance;

(vi) an Officer's Certificate of each of the Co-Issuers dated as of the Issuance Date to the effect (i) that no Default or Event of Default under this Indenture has occurred and is continuing, or is likely to occur as a result of such proposed issuance; (ii) with respect to Notes proposed for execution and delivery after the fourth Accounting Date following the Closing Date, that the Pro Forma Series Debt Service Coverage Ratio is at least equal to the greatest of the Additional Issuance Series DSCR Thresholds applicable to each respective Outstanding Series of Notes; (iii) no Servicer Termination Event has occurred and is continuing, or will occur with notice or the lapse of time or both, or is likely to occur as a result of such proposed issuance; (iv) no Trigger Reserve Event has occurred and is continuing, or is likely to occur as a result of such proposed issuance; (v) the proposed issuance does not alter or change the terms of any Outstanding Series of Notes or the Series Supplement relating thereto; (vi) no Mandatory Redemption Event has occurred and is continuing or is likely to occur as a result of the proposed issuance;

(vii) giving effect to such proposed issuance, the IHOP Corp. Consolidated Leverage Ratio is equal to or less than the least of the Series IHOP Corp. Consolidated Leverage Ratio Thresholds applicable with respect to any Outstanding Series of Notes; and (viii) the Adjusted IHOP Corp. Consolidated Leverage Condition is met.

(vii) an Opinion of Counsel, subject to the assumptions and qualifications stated therein, in form and substance reasonably acceptable to the Series Controlling Party, dated the date of issuance of the new Series of Notes, substantially to the effect that:

(A) The Indenture has been duly authorized, executed and delivered by the Co-Issuers and constitutes a legal, valid and binding agreement of each of the Co-Issuers, enforceable against each of the Co-Issuers in accordance with its terms;

(B) the relevant Notes have been duly authorized by the Co-Issuers, and, when such Notes have been duly authenticated and delivered by the Indenture Trustee, such Notes will be legal, valid and binding obligations of each of the Co-Issuers, enforceable against each of the Co-Issuers in accordance with their terms;

(C) none of the Securitization Entities is required to be registered under the Investment Company Act;

(D) the issuance and sale by the Co-Issuers of such Notes (a) does not require any consent, approval, license, authorization or validation of, or filing, recording or registration with, any executive, legislative, judicial, administrative or regulatory bodies pursuant to any laws, rules and regulations, except those that may be required under state securities or blue sky laws, and such other approvals that have been obtained and are in effect, (b) does not result in a violation of any provision of the Issuer Certificate of Formation, the Co-Issuer Certificate of Formation, the Issuer Limited Liability Company Agreement, the Co-Issuer Limited Liability Company Agreement or any laws, rules and regulations applicable to either of the Co-Issuers, (c) does not breach or result in a violation of, or default under, (i) any indenture, mortgage, deed of trust, loan agreement lease or other agreement to which either of the Co-Issuers is a party or by which either of the Co-Issuers or any of their respective properties may be bound or (ii) any judgment, decree or order that is applicable to either of the Co-Issuers issued by any executive, legislative, judicial, administrative or regulatory bodies having jurisdiction over either of the Co-Issuers or any of their respective properties and (d) will not have a material adverse affect on the tax treatment of the Issuer, or on the tax consequences to the holders of any Notes Outstanding at the time of issuance as described in any applicable Offering Circular under the heading "Certain U.S. Federal Income Tax Considerations" or otherwise cause any of the statements under the heading "Certain U.S. Federal Income Tax Considerations" in any applicable Offering Circular to be inaccurate or incorrect to any material extent;

(E) there is no legal or governmental action, investigation or proceeding pending or threatened against either of the Co-Issuers (a) asserting the invalidity of the Indenture or any Notes, (b) seeking to prevent the issuance of such Notes or the consummation of any of the transactions provided for in the Indenture, (c) that would materially and adversely affect the ability of either of the Co-Issuers to perform its obligations under, or the validity or enforceability (with respect to the Co-Issuers) of, the Indenture or any Notes or (d) seeking to materially affect adversely the tax treatment of the Co-Issuers, or the tax consequences to the holders of any Notes Outstanding as described in any applicable Offering Circular under the heading “Certain Federal Income Tax Consequences” or otherwise cause any of the statements under the heading “Certain U.S. Federal Income Tax Considerations” in any applicable Offering Circular to be inaccurate or incorrect to any material extent; and

(F) it is not necessary in connection with the offer and sale of such Notes by the Co-Issuers to the Initial Purchaser thereof or by the Initial Purchaser to the initial investors in such Notes to register such Notes under the Securities Act; and

(viii) a summary of the Principal Terms of the Series of Notes to be issued;

(ix) such other documents, instruments, certifications, agreements or other items as the Indenture Trustee may reasonably require.

Upon satisfaction of such conditions and the conditions in Article III, the Indenture Trustee shall authenticate and deliver, as provided above, such Notes upon execution thereof by Co-Issuers.

(d) In conjunction with the issuance of a new Series of Notes, the parties hereto shall execute a Series Supplement, which shall specify the relevant terms with respect to such new Series of Notes, which shall include, as applicable:

(i) its name or designation, and whether such Series of Notes is a Senior Series of Notes, Senior Subordinated Series of Notes or a Subordinated Series of Notes;

(ii) the Aggregate Outstanding Principal Amount of such Series of Notes at issuance and the maximum permitted Aggregate Outstanding Principal Amount of such Series of Notes that is authorized to be issued;

(iii) the Series Interest Payment Amount and any Series Fee Payment Amount relating to such Series of Notes (and the method for calculating such Series Interest Payment Amount and Series Fee Payment Amount, and the Rate Determination Date, if applicable) with respect to such Series of Notes;

(iv) the Series Additional Interest Amount for such Series of Notes;

(v) the date or dates from which interest shall accrue;



- (vi) the Series Insurance Premium Payable Amount;
- (vii) the names of any accounts to be used in relation to such Series of Notes and the terms governing the operation of any such account;
- (viii) whether the Issuer is required to maintain in place a Series Hedge Agreement to hedge interest rate or any other risk in respect of such Series of Notes and, if so, the principal terms of each such Series Hedge Agreement; provided, however, that if the proposed issuance would cause the Aggregate Outstanding Principal Amount of all Series of Notes (including the undrawn amount of any variable funding Series of Notes) with floating interest rates to be greater than the least of the Unhedged Floating Rate Note Principal Limits applicable with respect to any Outstanding Notes, such Series shall be made subject to a Series Hedge Agreement in accordance with Section 13.2 unless otherwise consented to by the Aggregate Controlling Party;
- (ix) the initial Series Hedge Counterparty, if any;
- (x) the Series Anticipated Repayment Date for such Series of Notes;
- (xi) the extension options for such Series of Notes, and conditions to such extension, if any, that would extend such Series Anticipated Repayment Date;
- (xii) the Series Legal Final Maturity Date;
- (xiii) the identity of each Insurer, if any, relating to such Series of Notes;
- (xiv) if applicable, the Series Optional Redemption Premium for such Series of Notes;
- (xv) the Series Interest Reserve Account Required Amount;
- (xvi) any Series Event of Default;
- (xvii) the Series Minimum Debt Service Coverage Ratio;
- (xviii) the Series DSCR Principal Payment Account Deposit Threshold;
- (xix) the Series Trigger Reserve Proportions and related Series DSCR Trigger Reserve Account Deposit Threshold;
- (xx) the Additional Issuance Series DSCR Threshold;
- (xxi) the Defective Asset Payment Series DSCR Threshold;
- (xxii) the STE Series DSCR Threshold;
- (xxiii) the EoD Series DSCR Threshold;

(xxiv) the Series Trigger Reserve Release Amount and the Series Trigger Reserve Release Events; and

(xxv) any other relevant terms of such Series of Notes, *provided, however*, that such terms do not change the terms of any Outstanding Notes or otherwise materially conflict with the provisions of this Base Indenture or the Series Supplement relating to any other Series of Notes unless consented to in accordance with ARTICLE VIII hereof (all such terms, the “Principal Terms” of such Series of Notes).

Section 2.4 Execution, Authentication, Delivery and Dating. The Notes shall be executed on behalf of each of the Co-Issuers by an Authorized Officer of each of the Co-Issuers, respectively. The signature of such Authorized Officer on the Notes may be manual or facsimile.

Notes bearing the manual or facsimile signatures of individuals who were at the time of signing Authorized Officers of the Issuer shall bind the Issuer and Notes bearing the manual or facsimile signatures of individuals who were at the time of signing Authorized Officers of the Co-Issuer shall bind the Co-Issuer, notwithstanding the fact that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of issuance of such Notes.

At any time and from time to time after the execution and delivery of this Indenture, the Co-Issuers may deliver Notes executed by the Co-Issuers to the Indenture Trustee or the Authenticating Agent for authentication, and the Indenture Trustee or the Authenticating Agent, upon Company Order, shall authenticate and deliver such Notes as provided in this Indenture and not otherwise.

Each Note authenticated and delivered by the Indenture Trustee or the Authenticating Agent to or upon Company Order on the Closing Date shall be dated as of the Closing Date. All other Notes that are authenticated after the Closing Date for any other purpose under this Indenture shall be dated the date of their authentication.

Notes issued upon transfer, exchange or replacement of other Notes shall be issued in the Authorized Minimum Denominations reflecting the original Aggregate Outstanding Principal Amount of the Notes so transferred, exchanged or replaced, but shall represent only the current Aggregate Outstanding Principal Amount of the Notes so transferred, exchanged or replaced. In the event that any Note is divided into more than one Note in accordance with this Article II, the original principal amount of such Note shall be proportionately divided among the Notes delivered in exchange therefor and shall be deemed to be the original Aggregate Outstanding Principal Amount of such subsequently issued Notes.

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note a Certificate of Authentication, substantially in the form provided for herein, executed by the Indenture Trustee or by the Authenticating Agent by the manual or facsimile signature of one of their Authorized Officers, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

Section 2.5 Registration, Registration of Transfer and Exchange. (a) The Co-Issuers shall cause to be kept a register (the “Note Register”) in which, subject to such reasonable regulations as it may prescribe, the Co-Issuers shall provide for the registration of Notes and the registration of transfers of Notes with respect to each Series. The Indenture Trustee is hereby appointed the initial “Note Registrar” for the purpose of registering Notes and transfers of such Notes. Upon any resignation or removal of the Note Registrar, the Co-Issuers shall promptly appoint a successor or, in the absence of such appointment, assume the duties of Note Registrar.

If a Person other than the Indenture Trustee is appointed by the Co-Issuers as Note Registrar, the Co-Issuers shall give the Indenture Trustee prompt written notice of the appointment of such Note Registrar and of the location, and any change in the location, of the Note Registrar, and the Indenture Trustee shall have the right to inspect the Note Register at all reasonable times and to obtain copies thereof and the Indenture Trustee shall have the right to rely upon a certificate executed on behalf of the Note Registrar by an Officer thereof as to the names and addresses of the Holders of the Notes and the principal amounts and numbers of such Notes.

Subject to this Section 2.5, upon surrender for registration of transfer of any Notes at the office or agency of the Co-Issuers to be maintained as provided in Section 7.2, the surrendered Notes shall be returned to the Co-Issuers marked “canceled,” or retained by the Indenture Trustee in accordance with its standard retention policy, and the Co-Issuers shall execute, and the Indenture Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any Authorized Minimum Denominations and of a like Aggregate Outstanding Principal Amount.

Subject to the provisions of this Section 2.5, at the option of the Holder, Notes may be exchanged for Notes of like terms, in any Authorized Minimum Denominations and of like Aggregate Outstanding Principal Amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Note is surrendered for exchange, the Co-Issuers shall execute and the Indenture Trustee shall authenticate and deliver the Notes that the Holder making the exchange is entitled to receive.

All Notes issued and authenticated upon any registration of transfer or exchange of Notes shall be the valid obligations of the Co-Issuers, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Co-Issuers and the Note Registrar duly executed by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made to a Holder for any registration of transfer or exchange of Notes, but the Indenture Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Neither the Note Registrar nor the Co-Issuers shall be required (i) to issue, register the transfer of or exchange any Note during a period beginning at the opening of business fifteen (15) days before any selection of Notes to be redeemed and ending at the close of business on the day of the mailing of the relevant notice of redemption, or (ii) to register the transfer of or exchange any Note so selected for redemption.

(b) No Note may be sold or transferred (including, without limitation, by pledge or hypothecation) unless such sale or transfer is exempt from the registration requirements of the Securities Act, is exempt from the registration requirements under applicable state securities laws and will not cause either of the Co-Issuers or the pool of Collateral to become subject to the requirement that it register as an investment company under the Investment Company Act.

No Note may be offered, sold or delivered within the United States or to, or for the benefit of, U.S. Persons except to QIBs (who are also QPs) purchasing for their own account or for the accounts of one or more QIBs (who are also QPs), for which the purchaser is acting as fiduciary or agent in accordance with Rule 144A. The Notes may be sold or resold, as the case may be, in offshore transactions to purchasers each of whom is a QP and is not a U.S. Person in reliance on Regulation S; *provided* that if such sale or resale occurs prior to the expiration of the Distribution Compliance Period, the transferred interest must be held through Euroclear or Clearstream. None of the Co-Issuers, the Indenture Trustee or any other Person may register the Notes under the Securities Act or any state securities laws.

(c) Upon final payment due on the Maturity of a Note, the Holder thereof shall present and surrender such Note at the Corporate Trust Office of the Indenture Trustee or at the office of any Paying Agent (outside the United States if then required by applicable law in the case of a Definitive Note issued in exchange for a beneficial interest in a Regulation S Global Note pursuant to Section 2.5 and Section 2.10) on or prior to such Maturity; *provided* that if there is delivered to the Co-Issuers and the Indenture Trustee such reasonable security or indemnity as may be required by them to save each of them harmless and an undertaking thereafter to surrender such certificate, then, in the absence of notice to the Co-Issuers or the Indenture Trustee that the applicable Note has been acquired by a Protected Purchaser, such final payment shall be made without presentation or surrender.

(d) Notwithstanding any provision to the contrary herein, so long as any Global Note remains Outstanding and is held by or on behalf of DTC, transfers of such Global Note, in whole or in part, shall only be made in accordance with Section 2.2 (d) and this Section 2.5(d).

(i) Subject to clauses (ii), (iii) and (iv) of this Section 2.5(d), transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

(ii) Regulation S Global Note to Rule 144A Global Note. If a holder of a beneficial interest in a Regulation S Global Note deposited with DTC wishes at any time to exchange its interest in such Regulation S Global Note for an interest in the corresponding Rule 144A Global Note for such Series of Notes or to transfer its interest

in such Regulation S Global Note to a transferee who wishes to take delivery thereof in the form of an interest in the corresponding Rule 144A Global Note, such holder may, subject to the immediately succeeding sentence and the rules and procedures of Euroclear and Clearstream or DTC, as the case may be, cause the exchange or transfer of such interest for an equivalent beneficial interest in such Rule 144A Global Note; *provided* that the remaining beneficial interest in such Regulation S Global Note held by such holder shall either equal zero or meet the Authorized Minimum Denominations. To the extent that the Indenture Trustee, as Note Registrar, and the Co-Issuers have received (A) instructions from Euroclear, Clearstream or DTC, as the case may be, directing the Indenture Trustee, as Note Registrar, to cause to be credited a beneficial interest in the Rule 144A Global Note equal to the beneficial interest in the Regulation S Global Note to be exchanged or transferred but not less than the Authorized Minimum Denominations applicable to Notes held through Rule 144A Global Notes, such instructions to contain information regarding the participant account with DTC to be credited with such increase, and (B) a certificate in the form of Exhibit A attached hereto given by the holder of such beneficial interest (in the case of an exchange) or the transferee of such beneficial interest (in the case of a transfer) stating that, in the case of a transfer, the holder transferring such interest in the Regulation S Global Note reasonably believes that the transferee acquiring such interest in the Rule 144A Global Note is a QIB (who is also a QP) and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other relevant jurisdiction, or that, in the case of an exchange, the holder is a QIB (who is also a QP), then Euroclear or Clearstream or the Indenture Trustee, as Note Registrar, as the case may be, shall instruct DTC to reduce the Regulation S Global Note by the Aggregate Outstanding Principal Amount of the beneficial interest in the Regulation S Global Note to be transferred or exchanged, and the Indenture Trustee, as Note Registrar, shall instruct DTC, concurrently with such reduction, to credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Rule 144A Global Note equal to the reduction in the principal amount of the Regulation S Global Note.

(iii) Rule 144A Global Note to Regulation S Global Note. If a holder of a beneficial interest in a Rule 144A Global Note deposited with DTC wishes at any time to exchange its interest in such Rule 144A Global Note for an interest in the corresponding Regulation S Global Note for such Series of Notes, or to transfer its interest in such Rule 144A Global Note to a transferee who wishes to take delivery thereof in the form of an interest in the corresponding Regulation S Global Note, such holder, *provided* such holder or, in the case of a transfer, such transferee, is a QP and is not a U.S. Person may, subject to the immediately succeeding sentence and the rules and procedures of DTC, exchange or transfer or cause the exchange or transfer of such interest for an equivalent beneficial interest in such Regulation S Global Note; *provided* that the remaining beneficial interest in such Rule 144A Global Note held by such holder shall either equal zero or meet the Authorized Minimum Denominations. Upon receipt by the Indenture Trustee, as Note Registrar, and the Co-Issuers of (A) instructions given in accordance with DTC's procedures from an Agent Member directing the Indenture Trustee to cause to be credited a beneficial interest in the Regulation S Global Note in an amount equal to the beneficial interest in the Rule 144A Global Note to be exchanged or transferred, but

not less than the Authorized Minimum Denominations applicable to Notes held through Regulation S Global Notes, (B) a written order given in accordance with DTC's procedures containing information regarding the participant account of DTC and, in the case of a transfer or exchange pursuant to and in accordance with Regulation S, the Euroclear or Clearstream account to be credited with such increase and (C) a certificate in the form of Exhibit B attached hereto, given by the holder of such beneficial interest (in the case of an exchange) or the transferee of such beneficial interest (in the case of a transfer) stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Global Notes, including in accordance with Rule 903 or 904 of Regulation S, and that such transferee is a QP, the Indenture Trustee, as Note Registrar, shall instruct DTC to reduce the principal amount of the Rule 144A Global Note and to increase the principal amount of the Regulation S Global Note by the aggregate principal amount of the beneficial interest in the Rule 144A Global Note to be exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Regulation S Global Note equal to the reduction in the principal amount of the Rule 144A Global Note. A U.S. Person may not hold an interest in a Regulation S Global Note at any time.

(iv) Other Exchanges. In the event that a Global Note is exchanged for one or more Definitive Notes pursuant to Section 2.10, such Notes may be exchanged for one another only in accordance with such procedures as are substantially consistent with the provisions above (including certification requirements intended to ensure that such transfers (i) comply with Rule 144A and are made only to QIBs (who are also QPs), or (ii) comply with Regulation S and are made only to Persons who are QPs and who also are not U.S. Persons) and otherwise comply with such procedures as may be from time to time adopted by the Co-Issuers and the Indenture Trustee.

(v) Transfer of Interests in the Global Notes. Notwithstanding anything herein to the contrary, transfers of interests in a Global Note may be made (a) by book-entry transfer of beneficial interests within the relevant Clearing Agency or (b)(i) in the case of transfers of interests in a Rule 144A Global Note for interests in a Regulation S Global Note, in accordance with Section 2.5(d)(iii) hereof or (ii) in the case of transfers of interests in a Regulation S Global Note for interests in a Rule 144A Global Note, in accordance with Section 2.5(d)(ii) hereof; *provided* that, in the case of any such transfer of interests pursuant to clause (a) or (b) above, such transfer is made in accordance with subsection (vi) below.

(vi) Restrictions on Transfers.

(1) Transfers of interests in a Regulation S Global Note to a U.S. Person shall be made by delivery of an interest in a Rule 144A Global Note and shall be limited to transfers made pursuant to the provisions of Section 2.5(d). Beneficial interests in a Regulation S Global Note may only be held through Euroclear or Clearstream or, after the Distribution Compliance Period, by DTC, Euroclear or Clearstream. Any transfer of an interest in a Regulation S Global Note to a U.S. Person or to a Person that is not a QP shall be invalid and shall not be given effect for

any purpose hereunder, and the Indenture Trustee shall hold any funds conveyed by the intended transferee of such interest in such Regulation S Global Note in trust for the transferor and shall promptly reconvey such funds to such Person in accordance with the written instructions thereof delivered to the Indenture Trustee at its address listed in Section 15.3.

(2) Any transfer of an interest in a Rule 144A Global Note to a U.S. Person that is not both a QIB and a QP shall be invalid and shall not be given effect for any purpose hereunder, and the Indenture Trustee shall hold any funds conveyed by the intended transferee of such interest in such Rule 144A Global Note in trust for the transferor and shall promptly reconvey such funds to such Person in accordance with the written instructions thereof delivered to the Indenture Trustee at its address listed in Section 15.3.

(e) Transfers of Definitive Notes, in whole or in part, shall only be made in accordance with this Section 2.5(e).

(i) Definitive Note to Regulation S Global Note. If a holder of a beneficial interest in one or more Definitive Notes of a Series of Notes for which there exists a Regulation S Global Note wishes at any time to exchange its interest in such Definitive Note for an interest in a Regulation S Global Note of the same Series of Notes, or to transfer its interest in such Definitive Note to a Person who wishes to take delivery thereof in the form of an interest in a Regulation S Global Note of the same Series of Notes, such holder, *provided* such holder or, in the case of a transfer to another Person, such Person is not a U.S. Person, may exchange or cause the exchange of such interest, or may so transfer such interest, as the case may be, for an equivalent beneficial interest in a Regulation S Global Note, pursuant to the terms of this Section 2.5(e)(i). Upon receipt by the Indenture Trustee, as Note Registrar, of (A) such Definitive Note properly endorsed for such transfer to the transferee and written instructions from the Holder of such Definitive Note directing the Indenture Trustee, as Note Registrar, to cause the Regulation S Global Note to be increased by an amount equal to the beneficial interest in the Definitive Note (but not less than the Authorized Minimum Denomination applicable to the Notes of such Series of Notes), to be exchanged or transferred, (B) a written order containing information regarding the Euroclear or Clearstream account to be credited with such increase and (C) a certificate in the form of Exhibit C hereto given by the prospective transferee of such beneficial interest stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Regulation S Global Notes, including, in the case of a transfer, that the transferee is a QP and is not a U.S. Person and that the transfer is being made pursuant to Rule 903 or 904 of Regulation S, the Indenture Trustee, as Note Registrar, shall cancel such Definitive Note in accordance with Section 2.9, record the transfer in the Note Register in accordance with Section 2.5(a), and increase the principal amount of the Regulation S Global Note of the same Series of Notes by the aggregate principal amount of the beneficial interest in the Definitive Note being exchanged or transferred, and instruct DTC to credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in such Regulation S Global Note equal to such amount.

(ii) Transfer of Definitive Notes. If a holder of a beneficial interest in a Definitive Note wishes at any time to transfer its interest in such Definitive Note, such holder may transfer or cause the transfer of such interest for an equivalent beneficial interest in one or more Definitive Notes of the same Series of Notes as provided below. Upon receipt by the Indenture Trustee, as Note Registrar, of (A) such holder's Definitive Note properly endorsed for assignment to the transferee and (B) a certificate in the form of Exhibit D hereto given by the prospective transferee of such beneficial interest stating that the transfer of such interest has been made in accordance with the applicable restrictions in this Indenture, including that the transferee, (x) if such Note is being offered, sold or delivered within the United States, or to, or for the benefit of, a U.S. Person, such transferee is a QIB (who is also a QP), or (y) if such Note is being offered and sold in reliance on Regulation S, such transferee is a QP who is not a U.S. Person and is located outside of the United States, then the Indenture Trustee, as Note Registrar, shall cancel such Definitive Note in accordance with Section 2.9, record the transfer in the Note Register in accordance with Section 2.5(a) and authenticate and deliver one or more Definitive Notes of the same Series of Notes, registered in the names specified in the assignment described in clause (A) above, in principal amounts designated by the transferee (the aggregate of such amounts being equal to the beneficial interest in the Definitive Notes surrendered by the transferor), which shall not be less than the Authorized Minimum Denomination for the related Series of Notes.

(iii) Exchange of Definitive Notes. If a holder of a beneficial interest in one or more Definitive Notes wishes at any time to exchange such Definitive Notes for one or more Definitive Notes of different principal amounts of the same Series of Notes (but not less than the Authorized Minimum Denomination applicable thereto) that will be beneficially owned by such holder, such holder may exchange or cause the exchange of such interest for an equivalent beneficial interest in Definitive Notes of the same Series of Notes as provided below. Upon receipt by the Indenture Trustee, as Note Registrar, of (A) such holder's Definitive Notes properly endorsed for such exchange and (B) written instructions from the Holder (or such beneficial holder, as identified by the Holder) of such Definitive Note designating the number and principal amounts of the Definitive Notes to be exchanged (the aggregate of such principal amounts being equal to the Aggregate Outstanding Principal Amount of the Definitive Notes surrendered for exchange) and certifying that such exchange does not represent a change in beneficial ownership, then the Indenture Trustee, as Note Registrar, shall cancel such Definitive Note in accordance with Section 2.9, record the exchange in the Note Register in accordance with Section 2.5(a) and authenticate and deliver one or more Definitive Notes of the same Series of Notes, registered in the same names as the Definitive Notes surrendered by such holder or such different names as are specified in the endorsement described in clause (A) above, in principal amounts designated by such Holder (the aggregate of such amounts being equal to the beneficial interest in the Definitive Notes surrendered by such holder).

(f) If Notes are issued upon the transfer, exchange or replacement of Notes bearing the applicable legends set forth in exhibits to the applicable Series Supplement, and if a request is made to remove such applicable legend on such Notes, the Notes so issued shall bear such applicable legend, or such applicable legend shall not be removed, as the case may be,



unless there is delivered to the Co-Issuers such satisfactory evidence, which may include an Opinion of Counsel licensed to practice law in the State of New York (and addressed to the Co-Issuers and the Indenture Trustee), as may be reasonably required by the Co-Issuers to the effect that neither such applicable legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of the Securities Act, the Investment Company Act, ERISA or the Code, as applicable. Upon provision of such satisfactory evidence, as confirmed in writing by the Co-Issuers to the Indenture Trustee, the Indenture Trustee, at the direction of the Co-Issuers, shall authenticate and deliver Notes that do not bear such applicable legend.

(g) Each purchaser who becomes a beneficial owner of the Notes represented by an interest in a Rule 144A Global Note shall be deemed to represent, certify and agree with the Co-Issuers and the Initial Purchaser as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

(i) The purchaser understands that the Notes have not been recommended by any United States federal or state securities commission or regulatory authority. The foregoing authorities have not confirmed the accuracy or determined the adequacy of any Offering Circular. Any representation to the contrary is a criminal offense.

(ii) The purchaser (a) is a QIB (who is also a QP), (b) is aware that the sale to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB (who is also a QP) over which it exercises sole investment discretion, (d) is not (and any such account is not) a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made, (e) is not a broker dealer that owns and invests on a discretionary basis less than \$25,000,000 in securities of issuers that are not affiliated persons of the broker-dealer and (f) agrees that it and each such account shall not hold such Notes for the benefit of any other Person and shall be the sole beneficial owner thereof for all purposes and that it shall not sell participation interests in the Notes or enter into any other arrangement pursuant to which any other Person shall be entitled to a beneficial interest in the distributions on the Notes.

(iii) The purchaser understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (i) to QIBs (who are also QPs) pursuant to Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, and in accordance with the legends set forth in the applicable Series Supplement.

(iv) The purchaser acknowledges that neither of the Co-Issuers has been registered under the Investment Company Act.

(v) The purchaser acknowledges that none of the Co-Issuers, the Initial Purchaser, the Insurer, the Indenture Trustee, the Servicer or any Person representing the

Co-Issuers, the Initial Purchaser, the Insurer, the Indenture Trustee or the Servicer has made any representation to it with respect to the Co-Issuers, any Affiliates thereof or the offering or sale of the Notes, other than the information contained in the Offering Circular and any representations expressly set forth in a written agreement with such parties. None of the Co-Issuers, the Initial Purchaser, the Insurer, the Indenture Trustee or the Servicer or any of their respective Affiliates is acting as a fiduciary or financial or investment advisor for it and it is not relying (for purposes of making an investment decision) on any written or oral advice or counsel of the Co-Issuers, the Initial Purchaser, the Insurer, the Indenture Trustee or the Servicer or any of their respective Affiliates other than the information contained in the Offering Circular and any representations expressly set forth in a written agreement with such parties. It has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and has made its own investment decisions (including decisions regarding the suitability of any transactions pursuant to this Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Co-Issuers, the Initial Purchaser, the Insurer, the Indenture Trustee, the Servicer or any of their respective Affiliates. The purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and the purchaser, and any accounts for which it is acting, are each able to bear the economic risk of the purchaser's or its investment. It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirements of law that the disposition of its property or the property of such investor account be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A. It understands that an investment in the Notes involves certain risks, including the risk of loss of a substantial part of its investment under certain circumstances. It has had access to such financial and other information concerning the Co-Issuers and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Notes, including an opportunity to ask questions of, and request information from, the Co-Issuers. None of the Co-Issuers, the Initial Purchaser, the Insurer, the Indenture Trustee or the Servicer have given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) of the Indenture, the Notes or the other documentation for the Notes. The purchaser has determined that the rates, prices or amounts and other terms of the purchase and sale of the Notes reflect those in the relevant market for similar transactions and the purchaser is purchasing the Notes with a full understanding of all of the terms, conditions and risks thereof (economic or otherwise) and it is capable of assuming and willing to assume (financially and otherwise) those risks. The purchaser is a sophisticated investor.

(vi) The purchaser understands that the Notes will, unless otherwise agreed by the Co-Issuers and the holder thereof in compliance with applicable law, bear one or more legends substantially as set forth in the applicable Series Supplement.

(vii) The purchaser understands that the Notes offered in reliance on Rule 144A will be represented by one or more Rule 144A Global Notes. Before any interest in a Rule 144A Global Note may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, the transferor will be required to provide the Indenture Trustee with a written certification as to compliance with transfer restrictions as set forth in this Indenture.

(viii) The purchaser will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.

(ix) The purchaser understands that the Co-Issuers, the Indenture Trustee, the Insurer, the Initial Purchaser and their respective counsel will rely upon the accuracy and truth of the foregoing representations, and it hereby consents to such reliance.

(x) The purchaser understands that the Co-Issuers shall require certification acceptable to the Co-Issuers (i) as a condition to the payment of principal of and interest on any Note without, or at a reduced rate of, U.S. withholding or backup withholding tax, and (ii) to enable it to determine its duties and liabilities with respect to any taxes or other charges that it, the Indenture Trustee or any paying agent may be required to pay, deduct or withhold from payments in respect of such Notes made to the holder of such Notes under any present or future law or regulation of the United States or any present or future law or regulation of any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirements under any such law or regulation. Such certification may include U.S. federal income tax forms (such as IRS Form W-8BEN (Certification of Foreign Status of Beneficial Owner), Form W-8IMY (Certification of Foreign Intermediary Status), IRS Form W-9 (Request for Taxpayer Identification Number and Certification), or IRS Form W-8ECI (Certification of Foreign Person's Claim for Exemption from Withholding on Income Effectively Connected with Conduct of a U.S. Trade or Business) or any successors to such IRS forms). Each purchaser agrees to provide any certification requested pursuant to this paragraph within a reasonable time period after such request is initially made and to update or replace such form or certification in accordance with its terms or its subsequent amendments.

(xi) The purchaser understands that the Notes represent the obligation of the Co-Issuers only and other than payments that may arise under certain representations and warranties made by certain of its Affiliates, payments on the Notes are not the obligations of any of its Affiliates.

(h) Each purchaser who becomes a beneficial owner of the Notes represented by an interest in a Regulation S Global Note shall be deemed to represent, certify and agree with the Co-Issuers and the Initial Purchaser as to all of the matters set forth above under Sections 2.5(g)(i), (iii), (iv), (v), (x) and (xi) and to have further represented as follows (terms used in this paragraph are defined in Regulation S and are used as defined):

(i) In connection with the purchase of the Notes: (A) the beneficial owner is not a “U.S. Person” (as defined in Regulation S under the Securities Act) and is acquiring the Notes in reliance on the exemption from registration provided by Regulation S thereunder, (B) such beneficial owner is a QP and (C) such beneficial owner is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income taxes owed, owing or potentially owed or owing.

(ii) The purchaser or beneficial owner is aware that the sale of such Notes to it is being made in reliance on the exemption from registration provided by Regulation S and are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act. Such Person further understands that the Notes offered in reliance on Regulation S will bear the legend set forth in the applicable Series Supplement and will be represented by one or more Regulation S Global Notes. The purchaser and each beneficial owner of the Notes, is a QP and is not and will not be, a U.S. Person as defined in Regulation S under the Securities Act, and its purchase of the Notes will comply with all applicable laws in any jurisdiction in which it resides or is located. Before any interest in a Regulation S Global Note may be offered, resold, pledged or otherwise transferred, the transferor will be required to provide the Indenture Trustee with a written certification as to compliance with the transfer restrictions as set forth in this Indenture. Such beneficial owner acknowledges that no representation has been made as to the availability of any exemption under the Securities Act or any state or foreign securities laws for resale of the Notes.

(iii) The purchaser is aware that, except as otherwise provided in this Indenture, the Notes being sold to it will be represented (A) initially by one or more Temporary Regulation S Global Notes and (B) on or after the last day of the period ending 40 days after the later of the commencement of the offering of the Notes and the Closing Date (the “Distribution Compliance Period”), by one or more Regulation S Global Notes, and that in each case beneficial interests therein may be held only through Euroclear or Clearstream.

(iv) The purchaser understands that, prior to the first Business Day following the Distribution Compliance Period, any resale or other transfer of beneficial interests in a Temporary Regulation S Global Note in the United States or to U.S. Persons shall not be permitted.

(v) The purchaser will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.

(vi) The purchaser understands that the Co-Issuers, the Indenture Trustee, the Insurer, the Initial Purchaser and their respective counsel will rely upon the accuracy and truth of the foregoing representations, and it hereby consents to such reliance.

(i) Any purported transfer of a Note not in accordance with this Section 2.5 shall be null and void and shall not be given effect for any purpose hereunder and shall not be registered.

(j) Notwithstanding anything contained in this Indenture to the contrary, neither the Indenture Trustee nor the Note Registrar (nor any other Transfer Agent) shall be responsible or liable for compliance with applicable federal or state securities laws (including, without limitation, the Securities Act or Rule 144A or Regulation S), the Investment Company Act, ERISA or the Code (or any applicable regulations thereunder); *provided* that if a specified transfer certificate or Opinion of Counsel is required by the express terms of this Section 2.5 to be delivered to the Indenture Trustee or Note Registrar prior to registration of transfer of a Note, the Indenture Trustee and/or Note Registrar, as applicable, shall be under a duty to receive such certificate or Opinion of Counsel and to examine the same to determine whether it conforms on its face to the requirements hereof (and the Indenture Trustee or Note Registrar, as the case may be, shall promptly notify the party delivering the same if it determines that such certificate or Opinion of Counsel does not so conform).

(k) If the Indenture Trustee determines or is notified by the Co-Issuers or the Initial Purchaser that (i) a transfer or attempted or purported transfer of any interest in any Note was not consummated in compliance with the provisions of this Section 2.5 on the basis of an incorrect form or certification from the transferee or purported transferee, (ii) a transferee failed to deliver to the Indenture Trustee any form or certificate required to be delivered hereunder or (iii) the holder of any interest in a Note is in breach of any representation or agreement set forth in any certificate or any deemed representation or agreement of such holder, the Indenture Trustee shall not register such attempted or purported transfer and if a transfer has been registered, such transfer shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee (such purported transferee, a “Disqualified Transferee”) and the last preceding holder of such interest in such Note that was not a Disqualified Transferee shall be restored to all rights as a Holder thereof retroactively to the date of transfer of such Note by such Holder.

(l) With respect to each Series of Notes, the Co-Issuers shall:

(i) request DTC to include the “3c7” marker in the DTC 20 character security descriptor and the 48 character additional descriptor for the Notes in order to indicate that sales to U.S. persons are limited to QPs;

(ii) request DTC to cause each physical DTC delivery order ticket delivered by DTC to purchasers to contain the 20 character security descriptor and shall request DTC to cause each DTC delivery order ticket delivered by DTC to purchasers in electronic form to contain the “3c7” indicator and the related user manual for participants;

(iii) request DTC, on the Closing Date or any Issuance Date (as applicable), to send an “Important Notice” to all DTC participants in connection with the offering of the Notes. The “Important Notice” shall notify DTC’s participants that the Notes are Section 3(c)(7) securities;

- (iv) request that DTC include the Notes in DTC's "Reference Directory" of Section 3(c)(7) offerings;
- (v) cause each "CUSIP" number obtained for a Note to have an attached "fixed field" that contains "3c7" and "144A" indicators;
- (vi) from time to time request all third party vendors (including Bloomberg) to include on screens maintained by such vendors appropriate legends regarding the Rule 144A and Section 3(c)(7) restrictions on the Notes; and
- (vii) from time to time (upon the request of the Indenture Trustee) request DTC to deliver to the Co-Issuers a list of all DTC participants holding an interest in the Notes.

**Section 2.6**      Mutilated, Defaced, Destroyed, Lost or Stolen Note. If (a) any mutilated or defaced Note is surrendered to a Transfer Agent, or if there shall be delivered to the Co-Issuers, the Indenture Trustee and the relevant Transfer Agent (each, a "Specified Person") evidence to their reasonable satisfaction of the destruction, loss or theft of any Note, and (b) there is delivered to the Specified Person such reasonable security or indemnity as may be required by each Specified Person to save each of them and any agent of any of them harmless, then, in the absence of notice to the Specified Persons that such Note has been acquired by a Protected Purchaser, the Co-Issuers shall execute and, upon Company Request, the Indenture Trustee shall authenticate and deliver, in lieu of any such mutilated, defaced, destroyed, lost or stolen Note, a new Note, of like tenor (including the same date of issuance) and equal principal amount, registered in the same manner, dated the date of its authentication, bearing interest from the date to which interest has been paid on the mutilated, defaced, destroyed, lost or stolen Note and bearing a number not contemporaneously outstanding.

If, after delivery of such new Note, a Protected Purchaser of the predecessor Note presents for payment, transfer or exchange such predecessor Note, any Specified Person shall be entitled to recover such new Note from the Person to whom it was delivered or any Person taking there from, and each Specified Person shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by such Specified Person in connection therewith.

In case any such mutilated, defaced, destroyed, lost or stolen Note has become due and payable, the Co-Issuers in their discretion may, instead of issuing a new Note, pay such Note without requiring surrender thereof except that any mutilated or defaced Note shall be surrendered.

Upon the issuance of any new Note under this Section 2.6, the Co-Issuers may require the payment by the registered holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Indenture Trustee) connected therewith.

Every new Note issued pursuant to this Section 2.6 in lieu of any mutilated, defaced, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Co-Issuers and such new Note shall be entitled, subject to the second paragraph

of this Section 2.6, to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section 2.6 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, defaced, destroyed, lost or stolen Notes.

Section 2.7      Payment of Principal and Interest and Other Amounts; Rights Preserved. (a) Interest on each Series of Notes shall accrue during each Interest Accrual Period at the applicable Note Interest Rate and as provided in the applicable Series Supplement and shall be due and payable in arrears on the Payment Date related to such Interest Accrual Period in accordance with Article XI. Except as expressly provided herein, no payment of interest on the Notes shall be made by the Co-Issuers hereunder other than on a Payment Date.

(b) Principal of each Series of Notes shall be paid on each Payment Date to the extent such payment is then due and funds are available therefor in accordance with Article XI. Any principal amounts thereof remaining unpaid on the applicable Series Legal Final Maturity Date shall be due and payable on the applicable Series Legal Final Maturity Date or earlier upon the occurrence of an acceleration, call for redemption or otherwise.

(c) As a condition to the payment of principal of and interest on any Note without the imposition of U.S. withholding tax, the Co-Issuers, the Indenture Trustee or any Paying Agent shall require, and Noteholder shall provide, certification acceptable to it to enable the Co-Issuers, the Indenture Trustee and any Paying Agent to determine their duties and liabilities with respect to any taxes or other charges that they may be required to pay, deduct or withhold from payments in respect of such Note or the Holder of such Note under any present or future law or regulation of the United States or any present or future law or regulation of any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirements under any such law or regulation. Such certification may include U.S. federal income tax forms (such as IRS Form W-8BEN (Certification of Foreign Status of Beneficial Owner), Form W-8IMY (Certification of Foreign Intermediary Status), IRS Form W-9 (Request for Taxpayer Identification Number and Certification) or IRS Form W-8ECI (Certification of Foreign Person's Claim for Exemption from Withholding on Income Effectively Connected with Conduct of a U.S. Trade or Business) or any successors to such IRS forms). In addition, the Co-Issuers, the Indenture Trustee or any Paying Agent may require certification acceptable to it to enable the Co-Issuers to qualify for a reduced rate of withholding in any jurisdiction from or through which the Co-Issuers receive payments on their assets. Each Holder of any Note agrees to provide any certification requested pursuant to this paragraph within a reasonable time period after such request is initially made and to update or replace such form or certification in accordance with its terms or its subsequent amendments.

The Indenture Trustee hereby provides notice to each Noteholder that the failure of such Noteholder to provide the Indenture Trustee with appropriate tax certifications will result in amounts being withheld from payments to such Noteholders under the Indenture (provided that amounts withheld pursuant to applicable tax laws shall be considered as having been paid by the Co-Issuers).

(d) Payments in respect of interest on and principal of the Notes shall be payable by wire transfer in immediately available funds to a Dollar account maintained by the Holder or its nominee; *provided* that the Holder has provided wiring instructions to the Indenture Trustee on or before the related Record Date or, if wire transfer cannot be effected, by a Dollar check drawn on a bank in the United States of America, or by a Dollar check mailed to the Holder at its address in the Note Register. It is herein acknowledged that transfer of funds by the Indenture Trustee from the appropriate Indenture Trust Account to, or for further credit to, a U.S. Dollar account of a Paying Agent outside the United States shall be permitted under the preceding sentence (and it is acknowledged that any payment by wire transfer of U.S. Dollars outside the United States is subject to applicable banking procedures and limitations applicable to wire transfer of U.S. Dollars). The Co-Issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note held by DTC or its nominee, will immediately credit the applicable Agent Members' accounts with payments in amounts proportionate to the respective beneficial interests in such Global Note as shown on the records of DTC or its nominee. The Co-Issuers also expect that payments by Agent Members to owners of beneficial interests in such Global Note held through Agent Members will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments shall be the responsibility of the Agent Members. Upon final payment due on the Maturity of a Note, the Holder thereof shall present and surrender such Note at the Corporate Trust Office of the Indenture Trustee or at the office of any Paying Agent (outside of the United States if then required by applicable law in the case of a Definitive Note issued in exchange for a beneficial interest in the Regulation S Global Note) on or prior to such Maturity; *provided* that if there is delivered to the Co-Issuers and the Indenture Trustee such reasonable security or indemnity as may be required by them to save each of them harmless and an undertaking thereafter to surrender such certificate, then, in the absence of notice to the Co-Issuers or the Indenture Trustee that the applicable Note has been acquired by a Protected Purchaser, such final payment shall be made without presentation or surrender. None of the Co-Issuers, the Indenture Trustee or any Paying Agent shall have any responsibility or liability for any aspects of the records maintained by DTC or its nominee or any of the Agent Members relating to or for payments made thereby on account of beneficial interests in a Rule 144A Global Note or a Regulation S Global Note. None of the Co-Issuers, the Indenture Trustee or the Paying Agent shall have any responsibility or liability with respect to any records maintained by the Holder of any Note with respect to the beneficial holders thereof or payments made thereby on account of beneficial interests held therein. In the case where any final payment of principal and interest is to be made on any Note (other than on the Legal Final Maturity Date thereof), the Co-Issuers or, upon Company Request, the Indenture Trustee, in the name and at the expense of the Co-Issuers, shall, not more than thirty (30) nor fewer than ten (10) days prior to the date on which such payment is to be made, mail to the Persons entitled thereto at their addresses appearing on the Note Register a notice which shall state the date on which such payment will be made and the amount of such payment per \$100,000 initial principal amount of Notes and shall specify the place where such Notes may be presented and surrendered for such payment.

(e) Interest on any Note which is payable and is punctually paid or duly provided for on any Payment Date shall be paid to the Person in whose name that Note (or one or more predecessor Notes) is registered at the close of business on the Record Date for such interest.



(f) Payments of principal to Holders of the Notes of each Series of Notes shall be made in the proportion that the Aggregate Outstanding Principal Amount of the Notes of such Series of Notes registered in the name of each such Holder on such Record Date bears to the Aggregate Outstanding Principal Amount of all Notes of such Series of Notes on such Record Date.

(g) All reductions in the principal amount of a Note (or one or more predecessor Notes) effected by payments of installments of principal made on any Payment Date (including any Redemption Date) shall be binding upon all future Holders of such Note and of any Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, whether or not such payment is noted on such Note.

(h) Subject to the foregoing provisions of this Section 2.7, each Note delivered under this Indenture and upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights of unpaid interest and principal that were carried by such other Note.

(i) Notwithstanding any of the foregoing provisions with respect to payments of principal of and interest on the Notes, if the Notes have become or been declared due and payable following an Event of Default and such acceleration of maturity and its consequences have not been rescinded and annulled and the provisions of Section 2.5 are not applicable, then payments of principal of and interest on such Notes shall be made in accordance with Section 5.2.

Section 2.8      Persons Deemed Owners. The Co-Issuers, the Indenture Trustee, the Note Registrar and any agent of the Co-Issuers, the Indenture Trustee or the Note Registrar may treat as the owner of a Note the Person in whose name such Note is registered on the Note Register on the applicable Record Date for the purpose of receiving payments of principal of and interest and other amounts on such Note and on any other date for all other purposes whatsoever (whether or not such Note is overdue), and neither the Co-Issuers nor the Indenture Trustee nor any agent of the Co-Issuers or the Indenture Trustee shall be affected by notice to the contrary; *provided* that DTC, or its nominee, shall be deemed the owner of the Global Notes, and owners of beneficial interests in Global Notes shall not be considered the owners of any Notes for the purpose of receiving notices.

Section 2.9      Cancellation. All Notes surrendered for payment, registration of transfer, exchange or redemption, or deemed lost or stolen, shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee, and shall be promptly canceled by the Indenture Trustee and may not be reissued or resold. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section 2.9, except as expressly permitted by this Indenture. All canceled Notes held by the Indenture Trustee shall be destroyed or held by the Indenture Trustee in accordance with its standard retention policy unless the Co-Issuers shall direct by a Company Order that they be returned to it.

Section 2.10      Global Notes; Temporary Notes. (a) A Global Note deposited with DTC pursuant to Section 2.2 shall be transferred to the beneficial owners thereof only if (i) such transfer complies with Section 2.5 and (ii) either (x) DTC notifies the Co-Issuers that it is unwilling or unable to continue as depositary for such Global Note or if at any time DTC ceases

to be a “Clearing Agency” registered under the Exchange Act and a successor depository that is so registered is not appointed by the Co-Issuers within ninety (90) days of such notice, (y) in the case of a Global Note held for the account of Euroclear or Clearstream, Euroclear or Clearstream, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of statutory or other holidays) or announces an intention permanently to cease business or does in fact do so.

(b) Any Global Note that is transferable to the beneficial owners thereof pursuant to Section 2.10(a) shall be surrendered by DTC to the Indenture Trustee’s Corporate Trust Office together with (i) necessary instruction for the registration and delivery of Definitive Notes to the beneficial owners (or such owner’s nominee) holding the ownership interests in such Global Note, and (ii) a transfer certificate substantially in the form of Exhibit E hereto from such beneficial owner. Any such transfer shall be made, without charge, and the Indenture Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Note, an equal Aggregate Outstanding Principal Amount of Notes of the same Series of Notes and Authorized Minimum Denominations. Any Definitive Note delivered in exchange for an interest in a Global Note shall bear, except as otherwise provided by Section 2.5(f), the applicable legend set forth in exhibits to the applicable Series Supplement and shall be subject to the transfer restrictions referred to in such applicable legends. The holder of such a registered individual Note may transfer such Note by surrendering it at the office or agency maintained by the Co-Issuers for this purpose in The City of New York, or at the Corporate Trust Office of the Indenture Trustee, or at the office of any Paying Agent.

(c) Subject to the provisions of Section 2.10(b), the registered Holder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members to take any action which a Holder is entitled to take under this Indenture or the Notes.

(d) In the event of the occurrence of any of the events specified in paragraph (a) of this Section 2.10, the Co-Issuers shall promptly make available to the Indenture Trustee a reasonable supply of Notes in definitive, fully registered form without interest coupons.

Pending the preparation of Definitive Notes pursuant to this Section 2.10, the Co-Issuers may execute, and upon Company Order the Indenture Trustee shall authenticate and deliver, temporary Notes that are printed, lithographed, typewritten, mimeographed or otherwise reproduced, in any Authorized Minimum Denominations, substantially of the tenor of the Definitive Notes in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the Officers executing such Notes may determine, as conclusively evidenced by their execution of such Notes.

If temporary Notes are issued, the Co-Issuers shall cause Definitive Notes to be prepared without unreasonable delay. The Definitive Notes shall be printed, lithographed, typewritten or otherwise reproduced, or provided by any combination thereof, or in any other manner permitted by the rules and regulations of any applicable securities exchange, all as determined by the Officers executing such Definitive Notes. After the preparation of Definitive Notes, the temporary Notes shall be exchangeable for Definitive Notes upon surrender of the applicable temporary Notes at the office or agency maintained by the Co-Issuers for such

purpose, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Co-Issuers shall execute, and the Indenture Trustee shall authenticate and deliver, in exchange therefor the same Aggregate Outstanding Principal Amount of Definitive Notes of Authorized Minimum Denominations. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits under this Indenture as Definitive Notes.

Section 2.11      No Gross Up. If either of the Co-Issuers becomes subject to deduction, withholding, or other charge or assessment from, or with respect to, payments to any Holder of the Notes for any present or future tax, duty, assessment, or governmental charge, then (i) the Issuer shall give prompt written notice of the requirement to the Indenture Trustee and the Noteholders (which shall include certification of the amount so deducted, withheld, charged, or assessed) and (ii) the Indenture Trustee or other Paying Agent, as applicable, shall, except as provided under any Series Supplement, reduce the amount payable in respect of the Notes by the amount required to be deducted, withheld, charged, or assessed from payments on the Notes on any Payment Date. Except as otherwise provided under any Series Supplement, neither the Issuer nor the Insurers shall be obligated to pay any additional amounts to the Noteholders as a result of any such deduction, withholding, charge, or assessment.

Section 2.12      Tax Confidentiality Waiver.

Notwithstanding anything to the contrary contained in this Indenture, all Persons may disclose to any and all Persons, without limitations of any kind, the U.S. federal, state and local tax treatment of the Notes, the Co-Issuers or any of the transactions referred to in any Offering Circular, this Indenture or any other transaction document described herein, any fact that may be relevant to understanding the U.S. federal, state and local tax treatment of the Notes, the Co-Issuers or any of the transactions referred to in any Offering Circular, this Indenture or any other transaction document described herein, and all materials of any kind (including opinions or other tax analyses) relating to such U.S. federal, state and local tax treatment, other than the name of the parties or any other Person named herein, or information that would permit identification of the parties or such other Persons.

Section 2.13      Actions under an Insurance Policy. (a) Any payment made by an Insurer to the Indenture Trustee for the benefit of the Holders of any Series Notes (whether under the applicable Insurance Policy or otherwise) shall not be deemed to be a payment made by or on behalf of the Co-Issuers and shall not discharge the obligations of the Co-Issuers with respect thereto or constitute a cure of a Default or Event of Default and such amounts shall continue to be due and owing under such Notes until paid by or on behalf of the Co-Issuers. All such payments shall be repayable by the Co-Issuers pursuant to Section 11.1.

(b) If payment by an Insurer is made in respect of interest on any Series Notes, such payment shall be applied solely to the payment of such interest subject to the terms of the applicable Insurance Policy and such Insurer shall be deemed to the extent of such payment to have purchased from the Holder of such Series Notes the right to receive such interest on such Series Notes to the extent the same is subsequently paid by the Co-Issuers. If payment by an Insurer is made in respect of principal on any Series Notes, such payment shall be applied solely to the payment of such principal subject to the terms of the applicable Insurance Policy and such Insurer shall be deemed to have purchased such Series Notes in an Aggregate Outstanding

Principal Amount equal to the amount so paid by such Insurer. Such Insurer shall be deemed to be a Holder of such Series Notes during any period in which such Insurer may exercise subrogation rights pursuant to Section 2.14.

(c) With respect to any Series Notes, if, by 3:00 p.m. in the city in which the Corporate Trust Office is located on the day preceding the Accounting Date in respect of any Payment Date, the amount then on deposit in the Collections Account, the Expense Payment Accounts, the Series Interest Reserve Account, and the Series Trigger Reserve Account, after giving effect to transfers of funds pursuant to Section 11.1 hereof is insufficient to pay the Insured Obligations relating to the applicable Series of Notes due on such Payment Date, then, on or before 12:00 p.m. (New York time) on the Business Day following such Accounting Date, the Indenture Trustee shall give written notice to the Insurer relating to such Series Notes of the amount of such deficiency, and thereupon submit a Notice of Payment (as defined in the applicable Insurance Policy) in respect of such amount, all in accordance with the terms of this Indenture and in strict compliance with the terms of the applicable Insurance Policy.

(d) In the event that the Indenture Trustee has received a certified copy of an order of an appropriate court that any Insured Obligation of principal of or interest on any Series Notes has been avoided in whole or in part as a preference payment under applicable bankruptcy law, the Indenture Trustee shall so notify the Insurer relating to such Series Notes, shall comply with the provisions of the applicable Insurance Policy to obtain payment by the Insurer relating to such Series Notes of such avoided payment, and shall, at the time it provides notice to the Insurer relating to such Series of Notes, notify Holders of such Series Notes by mail that, in the event that any such Noteholder's Insured Obligation is so recovered, such Noteholder will be entitled to payment pursuant to the terms of the applicable Insurance Policy. The Indenture Trustee shall furnish to the Insurer relating to such Series Notes the Indenture Trustee's records evidencing the payments of principal of and interest on such Series Notes, if any, which have been made by the Indenture Trustee and subsequently recovered from the Noteholders, and the dates on which such payments were made. Pursuant to but subject to the terms of the applicable Insurance Policy, an Insurer relating to such Series Notes will make such payment on behalf of the Noteholder to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Final Order (as defined in the applicable Insurance Policy) and not to the Indenture Trustee or any Noteholder directly (unless a Noteholder has previously paid such payment to the receiver, conservator, debtor-in-possession or trustee in bankruptcy, in which case the Insurer relating to such Series Notes will make such payment to the Indenture Trustee for distribution to such Noteholder upon proof of such payment reasonably satisfactory to such Insurer).

(e) The Indenture Trustee shall promptly notify the Insurer relating to any Series Notes of any proceeding or the institution of any action (of which the Indenture Trustee has actual knowledge) seeking the avoidance as a preferential transfer under applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (a "Preference Claim") of any distribution made with respect to such Series Notes. With respect to any Series Notes, each Noteholder, by its purchase of Series Notes, and the Indenture Trustee hereby agree to the provisions of the related Insurance Agreement and Insurance Policy and agree that the Insurer relating to such Series Notes may at any time during the continuation of any proceeding relating to a Preference Claim involving such Notes direct all matters relating to such Preference Claim including, without limitation, (i) the direction of any appeal of any order relating to any

Preference Claim and (ii) the posting of any surety, *supersedeas* or performance bond pending any such appeal at the expense of the Insurer relating to such Series Notes, but subject to reimbursement as provided in the Insurance Agreement applicable to such Series Notes. In addition, and without limitation of the foregoing, as set forth in Section 2.14 hereof, an Insurer shall be subrogated to, and each Noteholder relating to a Series of Notes and the Indenture Trustee hereby delegate and assign, to the fullest extent permitted by law, the rights of the Indenture Trustee and each such Noteholder and the Notes relating to such Series of Notes in the conduct of any proceeding with respect to a Preference Claim, including, without limitation, all rights of any party to an adversary proceeding with respect to any court order issued in connection with any such Preference Claim.

(f) By acceptance of a Series Note with respect to which an Insurance Policy has been issued, each Series Noteholder agrees to be bound by the terms of such Insurance Policy. Nothing in this Indenture referring to or describing any obligation of an Insurer under its Insurance Policy shall or is intended to modify any of the terms, provisions or conditions of such Insurance Policy.

Section 2.8            Subrogation Rights of Insurers; Payment of Reimbursements.

(a) Upon the payment by any Insurer relating to Series Notes to the Indenture Trustee (or otherwise in accordance with the applicable Insurance Policy) for the benefit of the Holders of such Series Notes, such Insurer, without the need for further action on the part of such Insurer, the Co-Issuers, the Indenture Trustee or any other Person, shall be fully subrogated to the rights, as applicable, of each such Noteholder to receive payments of principal of and/or interest on the Series Notes from the Co-Issuers in accordance with Article XI, to the extent (i) of the amounts paid by such Insurer under the applicable Insurance Policy, and (ii) that such payment by the Co-Issuers is being made in respect of the specific principal and/or interest payment as to which such Insurer made its payment. In addition, until such Insurer is fully reimbursed in accordance with this Indenture and the applicable Insurance Agreement for any amounts paid by such Insurer to such Noteholders, such Insurer may exercise any option, vote, right, power or the like with respect to such Series Notes to the extent that it has made payment of principal or interest for the benefit of such Series Notes pursuant to the applicable Insurance Policy. In furtherance of the foregoing, the Indenture Trustee shall give effect to such subrogation by distributing to such Insurer (as subrogee of Noteholders and the Series Notes) the amounts that otherwise would have been distributed by the Indenture Trustee to such Holders in respect of principal and interest on the Series Notes to the extent (i) of any payments by the Insurer relating to such Series Notes under the applicable Insurance Policy, and (ii) that such payment by the Co-Issuers is being made in respect of the specific principal and/or interest payment as to which such Insurer made its payment. To evidence such subrogation to the rights of such Noteholders, the Note Registrar shall note such Insurer's rights as such subrogee in the Note Register upon receipt from such Insurer of proof of payment by such Insurer in respect of interest on or principal of such Series Notes. In addition, and without limiting the foregoing, (a) if an Insurer relating to any Series Notes makes any payment under the applicable Insurance Policy in respect of interest on such Series Notes, such Insurer shall be fully subrogated to the rights of Noteholders and the Series Notes relating to such Series Notes to receive the relevant interest payment, together with interest thereon under Article XI; and (b) if such Insurer makes any payment under the applicable Insurance Policy in respect of principal of such Series Notes

and such Insurer shall be fully subrogated to the rights of such Noteholders to receive the relevant principal payment, together with interest thereon under Article XI.

(b) Any Insurer may, at its option, direct the allocation of any payment of Reimbursements as provided in Section 11.1 as being the repayment of principal and/or interest as to Reimbursements then owing as of such reimbursement or payment date.

(c) Anything hereunder notwithstanding, it is understood and agreed that each Insurer shall be entitled to payment of Reimbursement only at the times and as provided in this Indenture and in the applicable Insurance Agreement and Insurance Policy. All payments received by an Insurer pursuant to the exercise of its rights under the Notes as subrogee as described in subsection (a) above shall cause a corresponding reduction (on a dollar-for-dollar basis) in the Reimbursement obligations owing to such Insurer, and all payments received by such Insurer in respect of Reimbursement obligations as provided in subsection (b) above shall cause a corresponding reduction (on a dollar-for-dollar basis) in the amounts which may be owing to such Insurer pursuant to such subrogation rights.

(d) Each Insurer by its execution of the applicable Series Supplement acknowledges and agrees that, notwithstanding any of the provisions of this Indenture, the applicable Insurance Agreement, the applicable Series Supplement or otherwise, it shall have recourse only to the Collateral. The Collateral having been fully applied in accordance with the terms hereof, such Insurer shall not be entitled to take any further actions against either of the Co-Issuers to recover any sums due but still unpaid hereunder or thereunder, all claims in respect of which shall be extinguished as against the Co-Issuers. In particular, each Insurer by its execution of the applicable Series Supplement agrees not to take any action or institute or join in instituting any proceeding against either of the Co-Issuers (whether pursuant to its rights to be reimbursed for Reimbursements or pursuant to its subrogation rights or otherwise), until at least one year and one day, or if longer, the applicable preference period then in effect, after the payment in full of all Notes issued hereunder (including any Series Supplement), which action or proceeding arises under any Insolvency Law applicable to either of the Co-Issuers, respectively or which would be likely to cause either of the Co-Issuers to be subject to, or to seek the protection of, any Insolvency Law applicable to either of the Co-Issuers, respectively; *provided*, that each Insurer may become a party to and participate in any Proceeding or action under any Insolvency Law applicable to either of the Co-Issuers, respectively, that is initiated by any Person that is not an Affiliate of such Insurer. For avoidance of doubt, this Section 2.14(d) shall not include any actions taken against the Servicer or any other Affiliate of the Servicer in respect of matters unrelated to Reimbursement by the Co-Issuers.

Section 2.15 Additional Covenant of the Insurers. Each Insurer by its execution of the applicable Series Supplement agrees to promptly notify in writing, promptly upon such Insurer's knowledge of such event, the Indenture Trustee of the actual or prospective occurrence of any event which constitutes or would constitute an Insurer Event of Default relating to such Insurer. The Indenture Trustee and the Co-Issuers shall not be deemed to have knowledge of any such event until receipt of written notice of such event from such Insurer, or until any other Authorized Officer of the Indenture Trustee or the Co-Issuers, as the case may be, responsible for administering the transactions herein described has actual knowledge of such event.

Section 2.16      Applicability of Sections 2.13, 2.14 and 2.15. The provisions of Sections 2.13, 2.14 and 2.15 shall apply to a Series of Notes only if and for so long as such Series Notes are insured pursuant to an Insurance Policy or any amount is owing to the Insurer relating to such Series of Notes.

Section 2.17      Escheat. Subject to applicable laws with respect to escheat of funds, any money held by the Indenture Trustee or any Paying Agent in trust for the payment of any amount due to any Noteholder with respect to any Note and remaining unclaimed for two (2) years after such amount has become due and payable shall be discharged from such trust and be paid to the Co-Issuers upon delivery of a Servicer Order. The Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Co-Issuers (and not to the applicable Insurer) for payment thereof (but only to the extent of the amounts so paid to the Co-Issuers), and all liability of the Indenture Trustee or the Paying Agent (as applicable) with respect to such trust money paid to the Co-Issuers shall thereupon cease; *provided, however*, that the Indenture Trustee or the Paying Agent, before being required to make any such repayment, may, at the expense of the Co-Issuers, cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in New York City, and in a newspaper customarily published on each Business Day and of general circulation in London and Luxembourg (if the related Series of Notes has been listed on the Luxembourg Stock Exchange), if applicable, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Co-Issuers. The Indenture Trustee may also adopt and employ, at the expense of the Co-Issuers any other commercially reasonable means of notification of such repayment.

**ARTICLE III**

**CONDITIONS PRECEDENT**

Section 3.1      General Provisions. Any Notes issued by the Co-Issuers on the Closing Date or any Issuance Date shall be executed by the Co-Issuers upon compliance with the conditions of Sections 2.3, 3.2 and Section 3.3 and shall be delivered to the Indenture Trustee for authentication, and thereupon the same shall be authenticated and delivered by the Indenture Trustee upon Company Order and upon receipt by the Indenture Trustee and each Insurer relating to the Series Notes to be issued (and, in the case of items (c), (d) and (e) below, also by the Co-Issuers, and in the case of items (a), (b), (c), (g) and (h), each other Insurer) on such Closing Date or Issuance Date (as applicable) of the following items:

- (a)      an Officer’s Certificate of each of the Co-Issuers (A) with respect to (1) the due authorization, execution and delivery of each of the Transaction Documents and any other related transaction documents to which either is a party and (2) the execution, authentication and delivery of the relevant Notes and related Series Supplement and (B) certifying that (1) the attached copy of the resolutions of the Board of Managers of each of the Co-Issuers authorizing the Transaction Documents and the issuance of such Notes is a true and complete copy thereof, (2) such resolutions have not been rescinded and are in full force and effect on and as of such Issuance Date, (3) the attached copy of each of the Co-Issuers’ limited liability company agreement is a true and complete copy thereof, (4) such limited liability

company agreement has not been rescinded and is in full force and effect on and as of such Issuance Date, (5) the Authorized Officers authorized to execute and deliver such documents hold the offices and have the signatures indicated thereon and (6) if the Issuance Date is not the Closing Date, the continued accuracy on such Issuance Date (as if made with reference to such Issuance Date) of each representation made by the Co-Issuers on the Closing Date herein, in the applicable Series Supplement and in any other Transaction Document.

(b) an Opinion of Counsel of the Co-Issuers reasonably satisfactory in form and substance to the Indenture Trustee and (if such Insurer is then the Series Controlling Party relating to the Notes to be issued) each Insurer relating to the Series Notes to be issued, if any, to the effect that no authorization, approval or consent of any governmental body is required for the valid issuance of the relevant Notes except such as may have been given and covering such other matters as the Indenture Trustee or the Insurer may reasonably request; *provided* that such Opinion of Counsel shall state, among other things, the necessary events upon the occurrence of which the security interest of the Indenture Trustee in the Collateral shall be a perfected security interest with respect to Collateral in which a Lien can be perfected under the laws of the United States (or the applicable states), and confirm, with respect to IP Lien Filings, that the IP Security Agreements have been executed by the Issuer or the Co-Issuer (as appropriate) and delivered to the Indenture Trustee for filing with the appropriate Intellectual Property registry office, and unencumbered; and *provided, further*, that Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Co-Issuers, shall be deemed to be satisfactory counsel for purposes of this subclause (b);

(c) an Opinion of Counsel to the Indenture Trustee, dated such Closing Date or Issuance Date (as applicable), in form and substance reasonably satisfactory to each of the Co-Issuers and (if such Insurer is the Series Controlling Party relating to the Notes to be issued) each Insurer relating to the Series Notes to be issued, if any;

(d) an Opinion of Counsel to the relevant Hedge Counterparty, if any, dated such Issuance Date, in form and substance reasonably satisfactory to each of the Co-Issuers and (if such Insurer is then the Series Controlling Party relating to the notes to be issued) each Insurer relating to the Series Notes to be issued, if any;

(e) an opinion of counsel to each Insurer relating to the Notes to be issued, dated as of the Issuance Date, in form and substance satisfactory to the Co-Issuers;

(f) an Opinion of Counsel to each Initial Purchaser or their representative, in form and substance satisfactory to each Initial Purchaser or their representative, as applicable, to the effect that the “Certain U.S. Federal Income Tax Considerations” section of the Offering Circular summarizes the material U.S. federal income tax consequences of the purchase and beneficial ownership of the Notes, and is materially accurate;

(g) an Officer’s Certificate of each of the Co-Issuers to the effect that (i) no Default or Event of Default under this Indenture has occurred and is continuing, or is likely to occur as a result of such proposed issuance; (ii) with respect to Notes proposed for execution and delivery after the fourth Accounting Date following the Closing Date, that the Pro Forma Series Debt Service Coverage Ratio is at least the greatest of the Additional Issuance Series DSCR Thresholds applicable to each respective Outstanding Series of Notes; (iii) no Servicer



Termination Event has occurred and is continuing, or will occur with notice or the lapse of time or both, or is likely to occur as a result of such proposed issuance; (iv) no Trigger Reserve Event has occurred and is continuing, or is likely to occur as a result of such proposed issuance; (v) the proposed issuance does not alter or change the terms of any Series Notes of any Series of Notes Outstanding or the Series Supplement relating thereto; (vi) no Mandatory Redemption Event has occurred and is continuing or is likely to occur as a result of the proposed issuance; (vii) giving effect to such proposed issuance, the IHOP Corp. Consolidated Leverage Ratio is equal to or less than the least of the Series IHOP Corp. Consolidated Leverage Ratio Thresholds applicable with respect to any Outstanding Notes; (viii) that the Adjusted IHOP Corp. Consolidated Leverage Condition is met; (ix) all conditions precedent provided in this Indenture relating to the authentication and delivery of Notes have been complied with; (x) all representations and warranties are true and correct in all material respects; and (xi) all expenses due or accrued with respect to the offering or relating to actions taken in connections therewith have been paid.

(h) an Accountant's Certificate (i) confirming the calculation of the Series Debt Service Coverage Ratio for each Outstanding Series of Notes (as specified in this Base Indenture or the related Series Supplement), the Cumulative Debt Service Coverage Ratio for the most recent Accounting Date and the Pro Forma Series Debt Service Coverage Ratio, (ii) after giving effect to such proposed issuance, confirming compliance with all Series IHOP Corp. Consolidated Leverage Ratio Thresholds and the Adjusted IHOP Corp. Consolidated Leverage Condition, as applicable and (iii) specifying the procedures undertaken by them in connection with the data and computations in clause (i) and (ii); provided, that, in the case of the initial issuance of the Notes on the Closing Date, the Report of Independent Accountants on Applying Agreed Upon Procedures dated the Closing Date shall be deemed to satisfy this Section 3.1(h); and

(i) an executed counterpart of each of the Transaction Documents (to the extent not previously provided).

Section 3.2 Security for Notes. Prior to the issuance of any Notes on the Closing Date or any Issuance Date (as applicable), the Co-Issuers shall cause the following conditions to be satisfied:

(a) Grant of the Franchise Assets. The Grant pursuant to the Granting Clauses of this Indenture of each of the Co-Issuers right, title and interest in and to the Collateral on the Closing Date (such Grant to be evidenced by the Co-Issuers' execution and delivery of this Indenture).

(b) Certificate of the Issuer. A certificate of an Authorized Officer of the Issuer, dated as of the Closing Date or any Issuance Date (as applicable), delivered to the Indenture Trustee and each Insurer, if any, relating to the Notes to be issued, to the effect that, in the case of the Franchise Assets on the Closing Date, and immediately prior to the delivery on the Issuance Date of any Notes:

(i) the Issuer Assets are free and clear of any Liens except for (A) those which are being released on the Closing Date, (B) those Granted pursuant to this Indenture or (C) Permitted Liens;

(ii) the Issuer has acquired its ownership in the Issuer Assets in good faith without notice of any adverse claim, except as described in paragraph (i) above;

(iii) the Franchise Documents with respect to each Franchise do not prohibit the Issuer from Granting a security interest in and pledging such Franchise Assets to the Indenture Trustee; and

(iv) the Grant pursuant to the Granting Clauses of this Indenture, upon filing of the Financing Statement and the Owned Real Property Mortgage, timely filing of IP Lien Filings in the appropriate Intellectual Property registry office and the taking of any actions or filings required under laws outside of the United States for perfection of Licensed IP created under such laws, shall result in a first priority perfected security interest in favor of the Indenture Trustee for the benefit of the Secured Parties in all of the Issuer's right, title and interest in and to the Issuer Assets.

The Issuer, on and as of the Closing Date, and on and as of any subsequent Issuance Date to the extent contemplated by Section 3.1(a)(B)(6), hereby represents and warrants as set forth above in clauses (i) through (iv).

(c) Certificate of the Co-Issuer. A certificate of an Authorized Officer of the Co-Issuer, dated as of the Closing Date or any Issuance Date (as applicable), delivered to the Indenture Trustee and each Insurer relating to the Notes to be issued, to the effect that, in the case of the Franchise IP and all other Franchise Assets owned by the Co-Issuer on the Closing Date, and immediately prior to the delivery on the Issuance Date of any Notes:

(i) the Co-Issuer is the owner of the IP Assets in existence as of such date free and clear of any Liens, claims or encumbrances of any nature whatsoever that are effective or could become effective, in each case except for (A) those which are being released on the Closing Date, (B) those Granted pursuant to this Indenture or (C) Permitted Liens;

(ii) the Co-Issuer has acquired its ownership in the IP Assets and the right to receive the After-Acquired IP Assets in good faith without notice of any adverse claim, except as described in paragraph (i) above;

(iii) the Grant pursuant to the Granting Clauses of this Indenture, upon filing of the Financing Statement, timely filing of IP Lien Filings and the taking of any actions or filings required under laws outside the United States for perfection of IP Assets included in the Collateral created under such laws, shall result in a first priority perfected security interest in favor of the Indenture Trustee for the benefit of the Secured Parties in all of the Co-Issuer's right, title and interest in the IP Assets included in the collateral.

The Co-Issuer, on and as of the Closing Date, and on and as of any subsequent Issuance Date to the extent contemplated by Section 3.1(a)(B)(6), hereby represents and warrants as set forth above in clauses (i) through (iii).

(d) Rating Letters. The delivery to the Indenture Trustee and each Insurer, if any, relating to the Notes to be issued of (i) a true and correct copy of a letter signed by Moody's

confirming that the Notes to be issued on the Closing Date or Issuance Date (as applicable) have been assigned a rating specified in the applicable Series Supplement and have received a shadow rating (exclusive of the effect of any Insurance Policy) specified in the applicable Series Supplement by Moody's, and that such ratings are in full force and effect on the Closing Date or Issuance Date (as applicable), (ii) a true and correct copy of a letter signed by S&P confirming that the Notes to be issued on the Closing Date or Issuance Date (as applicable) have been assigned a rating specified in the applicable Series Supplement and have received a shadow rating (exclusive of the effect of any Insurance Policy) specified in the applicable Series Supplement by S&P, and that such ratings are in full force and effect on the Closing Date or Issuance Date (as applicable) and (as required in the applicable Series Supplement) (iii) a true and correct copy of a letter signed by any other rating agency confirming that the Notes to be issued on the Closing Date or Issuance Date (as applicable) have been assigned a rating specified in the applicable Series Supplement and have received a shadow rating (exclusive of the effect of any Insurance Policy) specified in the applicable Series Supplement by such Rating Agency, and that such ratings are in full force and effect on the Closing Date or Issuance Date (as applicable); provided, however, that in lieu of receiving a copy of a letter regarding any shadow rating referred to in this Section 3.2(d), confirmation by electronic mail prior to the issuance of such Notes on the Closing Date or such Issuance Date, as the case may be, by the applicable Insurer to the Indenture Trustee that such Insurer has received such a letter conforming to the requirements of this Section 3.2(d) (or that such Insurer has waived receipt thereof by the Insurer) shall satisfy such condition in respect of the Indenture Trustee with respect to such shadow rating.

(e) Rating Agency Condition. With respect to any Notes that will be Outstanding at the proposed Issuance Date, delivery of written confirmation to each Insurer applicable to such Notes that the Rating Agency Condition shall have been satisfied as to such Notes; *provided* that such Insurer shall promptly notify the Indenture Trustee of such confirmation.

(f) Accounts. The Indenture Trustee shall provide on the Closing Date or such Issuance Date (as applicable) prior to the issuance of any Notes on such date evidence of the establishment or continued maintenance (as applicable) of the Collections Account, the Franchisee Insurance Proceeds Account, the Expense Payment Accounts, and with respect to each Series of Notes, the Series Principal Payment Account, the Series Interest Payment Account, the Series Fee Payment Account, the Series Interest Reserve Account, and the Series Trigger Reserve Account. The Issuer shall provide on the Closing Date or such Issuance Date (as applicable) prior to the issuance of any Notes on such date evidence of the establishment or continued maintenance (as applicable) of the Lock-Box Account, the Advertising Funds Account, the Lease and Reimbursement Payment Account and the Residual Account.

(g) Financing Statement. The delivery by each of the Co-Issuers of an unfiled copy of the Financing Statement describing the Collateral and naming each of the Co-Issuers respectively as debtor and the Indenture Trustee as secured party (or amendments of such Financing Statement or continuation statements, as applicable) to be filed by or on behalf of each of the Co-Issuers with the Secretary of State of Delaware not later than the 10th day following the Closing Date or the Issuance Date, as applicable. The parties hereto acknowledge that the Indenture Trustee shall not be obligated to have verified the validity, accuracy or other substantive matters relating such Financing Statement.

Section 3.3      Issuance of New Notes. No new Notes or Series of Notes shall be issued unless the following conditions are satisfied:

- (a) no Default or Event of Default under this Indenture has occurred and is continuing or will occur as a result of such proposed issuance, and all representations and warranties are true and correct and will continue to be true and correct after giving effect to such issuance in all material respects;
- (b) with respect to Notes proposed for execution and delivery after the fourth Accounting Date following the Closing Date, the Pro-Forma Series Debt Service Coverage Ratio is at least equal to the greatest of the Additional Issuance Series DSCR Thresholds applicable to each respective Outstanding Series of Notes;
- (c) no Servicer Termination Event has occurred and is continuing, or will occur with notice or the lapse of time or both or will occur as a result of such proposed issuance;
- (d) no Trigger Reserve Event has occurred and is continuing, or will occur as a result of such proposed issuance;
- (e) the proposed issuance does not alter or change the terms of any Series Notes or any Series of Notes Outstanding or the Series Supplement relating thereto without such consents as are required under ARTICLE VIII;
- (f) no Mandatory Redemption Event has occurred and is continuing, or will occur as a result of such proposed issuance;
- (g) giving effect to such proposed issuance, the IHOP Corp. Consolidated Leverage Ratio is equal to or less than the least of the Series IHOP Corp. Consolidated Leverage Ratio Thresholds applicable with respect to any Outstanding Notes;
- (h) the Adjusted IHOP Corp. Consolidated Leverage Condition is met;
- (i) in the case of Additional Notes of any existing Series to be issued, either (i) each Insurer, if any, insuring such Series has consented thereto in writing or (ii) without the consent of each Insurer insuring such Series, the aggregate principal amount to be issued is not greater than the excess, if any, of the maximum authorized principal amount of such Series as set forth in the applicable Series Supplement, over the aggregate principal amount of Notes of such Series that have previously been issued (whether or not still Outstanding);
- (j) all expenses due or accrued with respect to the offering of such Notes or Series of Notes or relating to actions taken in connection therewith have been paid or will be paid from the proceeds thereof; and
- (k) all applicable conditions under this Indenture and the other Transaction Documents have been satisfied.

## ARTICLE IV

### SATISFACTION AND DISCHARGE

Section 4.1      Satisfaction and Discharge of Indenture. (a) This Indenture shall cease to be of further effect with respect to the Notes except as to (1) rights of registration of transfer and exchange, (2) substitution of mutilated, destroyed, defaced, lost or stolen Notes, (3) rights of Noteholders to receive payments of principal thereof and interest thereon and each Insurer relating to any Series of Notes to receive any Reimbursement or other amounts due or to become due hereunder or under the applicable Insurance Agreement and/or Insurance Policy that have not been previously paid, (4) the rights, obligations and immunities of the Indenture Trustee hereunder including, without limitation, the rights to compensation, reimbursement and indemnification, (5) rights of the Co-Issuers to optional redemption pursuant to Section 9.2 and (6) the rights of Noteholders and the other Secured Parties as beneficiaries hereof with respect to the property deposited with the Indenture Trustee and payable to all or any of them, and all Collateral, rights and interest hereby conveyed or assigned or pledged and not disposed of previously pursuant to Section 5.3 then remaining, if any, shall revert to the Co-Issuers, and the estate, right, title and interest of the Indenture Trustee and the Secured Parties therein shall thereupon cease, terminate and become void, and the Indenture Trustee, on demand of and at the expense of the Co-Issuers, shall execute instruments in form and substance reasonably satisfactory to the Co-Issuers and the Indenture Trustee acknowledging satisfaction and discharge of this Indenture and releasing the Collateral from the Lien of this Indenture, and execute and deliver such other instruments or documents as may be reasonably requested by the Co-Issuers to give effect to such release, and shall convey, assign and transfer, or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered to the Co-Issuers, all such remaining Collateral, including money, then held by the Indenture Trustee or any co trustee, other than moneys deposited with the Indenture Trustee pursuant to clause (ii) below, when:

(i)      either:

(A)      all Notes theretofore authenticated and delivered (other than (x) Notes which have been destroyed, lost or stolen and which have been paid or replaced as provided in Section 2.6 hereof and (y) Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Co-Issuers or discharged from such trust, as provided in Section 2.7 hereof) have been delivered to the Indenture Trustee for cancellation; or

(B)      the Co-Issuers irrevocably deposit in trust with the Indenture Trustee or, at the option of the Indenture Trustee, with a trustee reasonably satisfactory to the Aggregate Controlling Party, the Indenture Trustee and the Co-Issuers under the terms of a irrevocable trust agreement in form and substance satisfactory to the Indenture Trustee, money or Eligible Investments in an amount sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Indenture Trustee, to pay, when due, principal, premium, if any, and interest on the Notes to maturity, redemption or prepayment, as the case may be, and to pay all other sums payable by them hereunder and under each other Transaction

Document and under any Insurance Agreement; *provided, however*, that (A) the trustee of the irrevocable trust shall have been irrevocably instructed to pay such money or the proceeds of such Eligible Investments to the Indenture Trustee and (B) the Indenture Trustee shall have been irrevocably instructed to apply such money or the proceeds of such Eligible Investments to the payment of said principal and interest with respect to the Notes and such other sums, including, but not limited to, with respect to any exercise of the Co-Issuers of redemption rights under Section 9.2;

(ii) the Co-Issuers have paid or caused to be paid all other sums payable hereunder by the Co-Issuers and no other amounts will become due and payable by the Co-Issuers and each of the Servicer and each other Securitization Entity has paid all amounts payable by it under the Transaction Documents;

(iii) the Co-Issuers have delivered to the Indenture Trustee and, if an Insurer is then the Series Controlling Party relating to any Series of Notes, such Insurer, an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Notes have been complied with; and

(iv) the Insurance Policy relating to each Series of Notes, if any, has expired or been terminated or canceled by the Indenture Trustee in accordance with its terms and the Indenture Trustee has returned each such Insurance Policy to the applicable Insurer and all amounts payable to such Insurer having been paid; *provided, however*, the Indenture Trustee shall be required to cancel such Insurance Policy and return it to the Insurer if all amounts under the Notes and the applicable Insurance Agreement have been paid and the Co-Issuers shall have provided to each applicable Insurer an Opinion of Counsel, or such other adequate assurances as may be required by such Insurer in its sole judgment, to such Insurer that the discharge of the Indenture will not subject such Insurer to a risk of preference or recapture on amounts previously paid by the Co-Issuers to discharge the Notes, and such Insurer shall have confirmed in writing that such condition has been satisfied.

The foregoing provisions notwithstanding, amounts owing in respect of Notes which shall have been paid, or for which provision shall have been made, by a payment from the Insurer pursuant to the applicable Insurance Policy, if any, shall continue to be Outstanding under this Indenture, and the conditions set forth in this Section 4.1 shall not be satisfied, and such Insurer shall become the Holder of such Notes for all purposes of this Indenture; *provided*, that if the Co-Issuers shall make payment to such Insurer of all Reimbursements and all Insurer Expenses due hereunder and under the applicable Insurance Agreement in respect of any payments by such Insurer of principal of and interest on such Notes and Insurer Expenses under the applicable Insurance Agreement, together with any interest due under the applicable Insurance Agreement thereon, the obligation of the Co-Issuers with respect to payment of such Notes shall cease to the extent of such Reimbursement, and if such Reimbursement shall be sufficient to pay all of the principal of and interest due on such Notes, such Notes shall no longer be deemed Outstanding for purposes of this Indenture.

(b) Notwithstanding the satisfaction and discharge of this Indenture, the rights and obligations of the Co-Issuers, the Noteholders and the Secured Parties under Section 2.7, Section 2.13, Section 2.14, Section 2.15, Section 2.16, Section 4.2, Section 6.5, Section 6.6, Section 7.1, Section 7.3, Section 7.13(o) and Section 11.1 hereof shall survive such satisfaction and discharge.

Section 4.2            Application of Trust Money. All monies, Cash or Eligible Investments deposited with the Indenture Trustee pursuant to Section 4.1 hereof shall be irrevocably held in trust by the Indenture Trustee and applied by it, in accordance with the provisions of the Notes and this Indenture and in Article XI to the payment to the Person or Persons entitled thereto of the principal and interest for whose payment such monies, Cash and Eligible Investments have been deposited with the Indenture Trustee, and such monies, Cash and Eligible Investments shall be held in a segregated trust account identified as being held in trust for the benefit of the Noteholders and the other Secured Parties.

Section 4.3            Reinstatement. If the Indenture Trustee is unable to apply any cash or Eligible Investments in accordance with Section 4.1 hereof by reason of any Proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Co-Issuers’ obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 4.1 hereof until such time as the Indenture Trustee is permitted to apply all such cash or Eligible Investments in accordance with Section 4.1 hereof; *provided, however*, that if the Co-Issuers have made any payment of principal of or interest on any Notes because of the reinstatement of its obligations, the Co-Issuers shall be subrogated to the rights of the holders who received such cash or Eligible Investments to receive such payment from the funds held by the Indenture Trustee.

**ARTICLE V**  
**EVENTS OF DEFAULT AND REMEDIES**

Section 5.1            Events of Default. (a) “Event of Default,” wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (i) a default shall occur in the payment of principal on any Note when due (without giving effect to payments made on the Notes with the proceeds of a drawing under any Insurance Policy);
- (ii) a default shall occur in the payment of any interest due in respect of any Note and such default shall continue for two (2)Business Days (without giving effect to payments made on the Notes with the proceeds of a drawing under any Insurance Policy);
- (iii) either the Issuer, the Co-Issuer or any other Securitization Entity fails to perform or comply with any of the covenants or representations or warranties contained

in Section 7.12 and Section 7.16 hereof or any of the representations or warranties contained herein or in any other Transaction Document to which a Securitization Entity is party shall prove to be incorrect in any material respect as of the date made or deemed to be made or as of any other date specified herein (in each case, computed without giving effect to any grace periods contained herein that might otherwise be applicable), and in the case of any Securitization Entity other than the Co-Issuer, such failure is reasonably likely to cause a Material Adverse Effect on the Collateral taken as a whole or the ability of the either of the Co-Issuers to satisfy its obligations under the Transaction Documents;

(iv) the occurrence of a Series Event of Default;

(v) a failure by the Back-Up Servicer to perform in accordance with Section 3(a) of the Back-Up Servicing Agreement within 15 days after receipt of written notification from the Issuer, Indenture Trustee or any Insurer that a Servicer Termination Event has occurred, or a failure by the Back-Up Servicer to present a Back-Up Servicer Proposal (in accordance with the Servicing Agreement) to each Series Controlling Parties within 90 days from the occurrence of the relevant Servicer Termination Event unless such failure was the result of delay caused by the Aggregate Controlling Party;

(vi) either the Issuer, the Co-Issuer or any other Securitization Entity fails to perform or observe any of its obligations under this Indenture not covered in (iii) above or under any other Transaction Document and such failure continues for a period ending on the earlier to occur of 30 consecutive days after the Issuer, the Co-Issuer or any other Securitization Entity (as applicable) shall have become aware of such failure or after the Issuer, the Co-Issuer or any other Securitization Entity (as applicable) shall have received notice of such failure, and in the case of any Securitization Entity other than the Co-Issuers, such failure is reasonably likely to cause a Material Adverse Effect on the Collateral, taken as a whole, or the ability of either of the Co-Issuers to satisfy its obligations under the Transaction Documents; *provided, however*, that to the extent it is curable and as long as the Issuer, the Co-Issuer or any other Securitization Entity (as applicable) is diligently attempting to cure such failure, such cure period shall be extended by an additional period as may be required to cure such default but in no event by more than an additional 30 days;

(vii) an effective resolution is passed by any the Issuer, the Co-Issuer or any other Securitization Entity (excluding IHOP Properties) for the winding up or liquidation of the Issuer, the Co-Issuer or any other Securitization Entity, respectively, except a winding up for the purpose of a merger, reconstruction or amalgamation, in accordance with the terms of the Indenture, the terms of which have previously been approved in writing by the Series Controlling Party of each Series of Notes;

(viii) any petition is filed, or any case or proceeding is commenced, against the Issuer, the Co-Issuer or any other Securitization Entity (excluding IHOP Properties) under the Bankruptcy Code, or any other similar applicable federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization, and such filing, case or proceeding has not been dismissed within 60 days after such filing or commencement;



(ix) the institution by the Issuer, the Co-Issuer or any other Securitization Entity of proceedings to be adjudicated as bankrupt or insolvent, or the consent by any Securitization Entity to the institution of bankruptcy or insolvency proceedings against it, or the filing by any Securitization Entity of a petition or answer or consent seeking reorganization relief under the Bankruptcy Code or any other similar applicable federal or state law, or the consent by either to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of either or of any substantial part of its property, or the making by the Issuer, the Co-Issuer or any other Securitization Entity of an assignment for the benefit of creditors, or the admission by any Securitization Entity in writing of its inability to pay its debts generally as they become due, or the taking of action by any Securitization Entity in furtherance of any such action;

(x) either of the Co-Issuers or any other Securitization Entity registers, or is required to register, as an “investment company” under the Investment Company Act, or any body with jurisdiction makes a final determination that either Co-Issuer or other Securitization Entity is an “investment company” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company”, as such terms are defined in the Investment Company Act;

(xi) any of the Issuer, the Co-Issuer, IHOP Holdings or IHOP, Inc. shall fail to perform or comply with certain of their respective covenants under any of the Asset Transfer Agreements to which it is a party relating to the corporate separateness of the Issuer, the Co-Issuer, any other of the Securitization Entities, IHOP Holdings or IHOP Inc. and such failure or noncompliance shall have continued for more than 30 days;

(xii) (A) any representation or warranty not covered in (iii) above made by the Issuer, the Co-Issuer or the Servicer in any Transaction Document to which it is a party shall prove to be false or incorrect in any material respect as of the date made or deemed to be made or as of any other date specified in the applicable Transaction Document, or (B) the Issuer, the Co-Issuer, the Servicer or any other Securitization Entity materially breaches any covenant in any Transaction Document with respect to the use of the IP Assets in a manner that constitutes an infringement of such IP Assets (in the case of (A) and/or (B), (a “Breach”); *provided* that if any such Breach is capable of being remedied within 30 days of the Issuer’s, the Co-Issuer’s, the Servicer’s or any other Securitization Entity’s knowledge of such Breach or receipt of notice thereof, as applicable, then an Event of Default shall occur under this clause (xii) as a result of such Breach if it is not cured in all material respects by the end of such 30 day period; *provided, further*, that, to the extent that it is curable and so long as the Issuer, the Co-Issuer or the Servicer is diligently attempting to cure such failure, such cure period shall be extended by an additional period as may be required but in no event by more than an additional 30 days;

(xiii) any Insurance Policy relating to a Series of Notes shall cease to be in full force and effect or any Insurer relating to a Series of Notes shall assert such in writing with respect to such Series of Notes;

(xiv) any Securitization Entity, the Servicer, IHOP Holdings or IHOP Inc. shall fail to comply with or observe any applicable law, rule or regulation if such failure is reasonably likely to have a Material Adverse Effect;

(xv) the Indenture Trustee shall cease to have a valid and perfected security interest in the Collateral (other than any immaterial Collateral and any Collateral which has been disposed of, to the extent permitted hereunder) in which perfection can be achieved under the UCC or other applicable law free and clear of any Lien except Permitted Liens;

(xvi) any Transaction Document shall cease to be in full force and effect or enforceable in accordance with its terms (other than in accordance with the express termination provisions thereof), or any of IHOP Inc., IHOP Holdings, the Servicer or any Securitization Entity asserts as such in writing;

(xvii) the Servicer (as applicable) shall fail to pay any Defective Asset Damages Amount Payment as required under the Servicing Agreement or Asset Transfer Agreements (as applicable) when due;

(xviii) (A) The Co-Issuers or any Affiliate thereof shall engage in any “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (B) any “accumulated funding deficiency” (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan, or any Lien in favor of the PBGC or a Plan shall arise on the assets of either Co-Issuer or any Affiliate thereof, (C) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Aggregate Controlling Party, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (D) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (E) the Co-Issuers or any Affiliate thereof incur, or in the reasonable opinion of the Aggregate Controlling Party are likely to incur, any liability in connection with a complete or partial withdrawal from, or the Insolvency, Reorganization or termination of, a Multiemployer Plan or (F) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (A) through (F) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to have a Material Adverse Effect;

(xix) any Securitization Entity other than IHOP Properties shall cease to be a disregarded entity for purposes of the Code;

(xx) a final non appealable judgment, when aggregated with the amount of other final non appealable judgments, exceeding (a) \$5,000,000 shall be rendered against the Issuer or (b) \$1,000,000 shall be rendered against any other Securitization Entity, and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive Business Days

during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(xxi) the Cumulative Debt Service Coverage Ratio with respect to any Payment Date is less than the greatest of the EoD Series DSCR Thresholds applicable to each respective Outstanding Series of Notes;

(xxii) any Series of Notes insured by an Insurer is not repaid in full on or before the date that is twenty-four (24) months prior to the Series Legal Final Maturity Date with respect to such Series of Notes;

(xxiii) a valid claim is made under an Insurance Policy;

(xxiv) the failure to pay any amount due under a Transaction Document and such failure shall continue for two (2) Business Days; and

(xxv) the IP Company fails to have good title to any IP Assets (other than any immaterial IP Assets and, any IP Assets which have been disposed of, to the extent permitted under Section 7.8(a)(xvi)).

If either of the Co-Issuers shall obtain knowledge that events that might reasonably be expected to constitute a Default shall have occurred and be continuing, the Co-Issuers shall promptly notify the Indenture Trustee, each Insurer and the Noteholders in writing of such events (but such notice, except as otherwise stated therein, shall not constitute an admission that such events constitute a Default).

**Section 5.2      Acceleration of Maturity; Rescission and Annulment.** (a) At any time after an Event of Default has occurred and is continuing, other than an Event of Default specified in Section 5.1(a)(vii), (viii) or (ix), the Indenture Trustee, if so directed by the Aggregate Controlling Party, shall declare, on written notice to the Co-Issuers (unless no written notice is required under the Indenture), the Aggregate Outstanding Principal Amount of all Outstanding Notes to be immediately due and payable, and upon any such declaration, such Aggregate Outstanding Principal Amount, together with all accrued and unpaid interest thereon, and other amounts payable under the Indenture, shall automatically become immediately due and payable in accordance with Section 11.1. If an Event of Default specified in Section 5.1(a)(vii), (viii) or (ix) shall have occurred and be continuing, the Aggregate Outstanding Principal Amount, together with all accrued and unpaid interest thereon, of all of the Notes, and other amounts payable hereunder, shall automatically become due and payable. Notwithstanding the foregoing, no such acceleration (whether occurring automatically or by the declaration of the Indenture Trustee) shall result in an acceleration of payments under any Insurance Policy.

(b) At any time after an Event of Default has occurred and is continuing and the Notes have been accelerated, the Indenture Trustee shall at the direction of the Aggregate Controlling Party invest or dispose of any or all of the Collateral. The Indenture Trustee shall not be bound to institute any proceedings or take any other action (excluding the actions expressly set forth herein) unless (i) with respect to an acceleration of Notes pursuant to the terms of the Indenture, it shall have been so requested by the Aggregate Controlling Party, and (ii) it shall have been provided security or indemnity to its reasonable satisfaction.

(c) At any time after such a declaration of acceleration of maturity has been made relating to the Notes and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee, the Aggregate Controlling Party (except in respect of an Event of Default specified in Section 5.1(a)(vii), (viii) or (ix), in which case rescission shall be subject to the consent of each Series Controlling Party), by written notice to the Co-Issuers and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

- (i) the Co-Issuers have paid or deposited with the Indenture Trustee a sum sufficient to pay:
  - (A) all overdue installments of interest and principal on the Notes,
  - (B) all unpaid taxes, administrative expenses and other sums paid or advanced by the Indenture Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel, and any due and unpaid Servicing Fees, and
  - (C) all outstanding Reimbursements, Insurer Expenses and Series Insurance Premium Payable Amounts owed to each Insurer; and
- (ii) the Indenture Trustee has determined, after consultation with counsel, that all Events of Default, other than the non payment of interest on or principal of the Notes that have become due solely by such acceleration, have been cured and, if any Event of Default (not including any Event of Default occurring for a Series solely as a result of cross default to a Series Event of Default for another Series) was a Series Event of Default only for some but not all of the Series of Notes, the Series Controlling Party for such Series of Notes, by written notice to the Indenture Trustee, has agreed with such determination (which agreement shall not be unreasonably withheld or delayed) or has waived such Series Event of Default pursuant to the applicable Series Supplement.

No such rescission and annulment shall affect any subsequent Default or Event of Default or impair any right consequent thereon.

**Section 5.3      Enforcement.** (a) At any time after an Event of Default has occurred and is continuing and the Notes have been accelerated, the Indenture Trustee shall, pursuant to an Aggregate Controlling Party Order, exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Collateral) and also shall, pursuant to an Aggregate Controlling Party Order, (i) require the Co-Issuers to, and each of the Co-Issuers hereby agrees that it will at its expense and upon request of the Indenture Trustee forthwith, assemble all or part of the Collateral as directed by the Indenture Trustee and make it available to the Indenture Trustee at a place and time to be designated by the Indenture Trustee that is reasonably convenient to both parties; (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Indenture Trustee's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Indenture Trustee may deem commercially reasonable; (iii) occupy any premises owned or leased by the Issuer and the Co-Issuer where the

Collateral or any part thereof is assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to the Issuer and the Co-Issuer in respect of such occupation; and (iv) exercise any and all rights and remedies of the Issuer and the Co-Issuer under or in connection with the Collateral, or otherwise in respect of the Collateral, including, without limitation, (A) any and all rights of the Issuer and the Co-Issuer to demand or otherwise require payment of any amount under, or performance of any provision of, the Franchise Agreements, the Franchise Payments, and the other Franchise Assets included in the Collateral, (B) withdraw, or cause or direct the withdrawal, of all funds with respect to the Indenture Trust Accounts, and (C) exercise all other rights and remedies of the Issuer and Co-Issuer, to the extent transferable to the Indenture Trustee or exercisable by the Indenture Trustee, as agent on behalf of the Issuer or Co-Issuer, with respect to the Franchise Agreements, the Franchise Payments, the IP Assets and the other Franchise Assets included in the Collateral, including, without limitation, those set forth in Section 9-607 of the UCC. The Co-Issuers agree that, to the extent notice of sale shall be required by law, at least ten days' notice to the Co-Issuers of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Indenture Trustee shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Indenture Trustee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Upon the acceleration of the Notes under Section 5.2 hereof, the Indenture Trustee (i) shall (if and as directed pursuant to an Aggregate Controlling Party Order relating to the Notes), institute Proceedings to enforce the rights of the Indenture Trustee with respect to the Collateral, including, without limitation, to foreclose upon the Collateral or sell the Collateral under a decree of a court or courts of competent jurisdiction, and (ii) may at its discretion take any other action of a secured party as permitted by the laws of the State of New York.

(c) In the case of an Insurer Event of Default relating to any Series of Notes, the Indenture Trustee shall institute such Proceedings or take such other action to enforce the obligations of the Insurer relating to such Series of Notes under the applicable Insurance Policy as the Holders of a Majority of the Series Outstanding Principal Amount shall direct in writing.

(d) No Noteholder relating to a Series of Notes shall be entitled to institute Proceedings or take such other action directly against any of the Issuer, Co-Issuer, any other Securitization Entity, the Servicer, the Insurer relating to such Series of Notes or the Collateral with respect to any Notes, whether to enforce the Co-Issuers' obligations hereunder or under such Notes, or against any Collateral securing the Notes, unless (i) the Indenture Trustee, having become bound so to act, fails to institute Proceedings against the Co-Issuers or with respect to any such Collateral within a reasonable time and such failure is continuing, (ii) with respect to such Series of Notes, an Insurer Event of Default has occurred and is continuing and (iii) 25% of the aggregate Outstanding principal for such Series of Notes agree in writing.

(e) Upon any sale of any or all of the Collateral securing the Notes as provided in this Indenture, the following shall be applicable:

(i) The Indenture Trustee is hereby irrevocably appointed the true and lawful attorney of the Issuer and the Co-Issuer to the extent permitted by law, in their name and stead, to make all necessary deeds, bills of sale and instruments of assignment, transfer or conveyance of the property thus sold; and for that purpose may make instruments and instructions and may substitute one or more Persons with like power; and the Issuer and the Co-Issuer hereby ratify and confirm all that its said attorney, or such substitute or substitutes, shall lawfully do by virtue hereof.

(ii) If so requested by the Indenture Trustee or by any purchaser, the Issuer and the Co-Issuer shall ratify and confirm any such sale, or transfer by executing and delivering to the Indenture Trustee or to such purchaser or purchasers all proper deeds, bills of sale, instruments of assignment, conveyance or transfer and releases as may be designated in any such request.

(iii) To the extent permitted by applicable law, any Noteholder, the Indenture Trustee or any Insurer relating to the Notes may bid for and purchase any of the Collateral, and upon compliance with the terms of sale, may hold, retain, possess and dispose of such.

(iv) The receipt of the purchase price by the Indenture Trustee or of the officer making such sale under a judicial proceeding shall be sufficient discharge to any purchaser for his purchase money, and, after paying such purchase money and receiving such receipt, such purchaser or its personal representatives or assigns shall not be obligated to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or nonapplication thereof.

(v) Any such sale, to the maximum extent permitted by law, shall operate to divest the Issuer or the Co-Issuer, as applicable, of all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, in and to the Collateral so sold and shall be a perpetual bar both at law and at equity or otherwise against the Issuer or the Co-Issuer, as applicable, and their successors and assigns, and any and all Persons claiming or who may claim the Collateral sold or any part thereof from, through or under the Issuer or the Co-Issuer, as applicable, or their successors and assigns.

(vi) Any moneys collected by the Indenture Trustee upon any sale of, collection from, or other realization upon all or any of the Collateral or otherwise upon the enforcement of this Indenture, shall be applied as provided in Section 5.4 hereof.

(f) In accordance with the terms of this Indenture, at any time when the Indenture Trustee institutes with consent of the Aggregate Controlling Party (or is directed to institute by the Aggregate Controlling Party) Proceedings to enforce the Notes or this Indenture or any Collateral, the following shall be applicable:

(i) The Indenture Trustee in its own name, or as Indenture Trustee of an express trust, or as attorney-in-fact for Holders of Notes, any Insurer or any other Secured Party, as the case may be, or in any one or more of such capacities shall be entitled and empowered to institute any suits, actions or other Proceedings at law, in equity or

otherwise, to recover judgment against the Co-Issuers for the whole amount due and unpaid on the Secured Obligations, and against any Insurer for any amounts owing under any Insurance Policy and may prosecute any such claims or Proceedings to judgment or final decree against the Co-Issuers or any Insurer and collect the monies adjudged or decreed to be payable in any manner provided by law, whether before or after or during the pendency of any Proceedings for the enforcement of the Lien of this Indenture, or of any of the Indenture Trustee's rights or the rights of any Secured Party under this Indenture or the Indenture Trustee's rights under any Insurance Policy, and such power of the Indenture Trustee shall not be affected by any sale hereunder or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture or for the foreclosure of the Lien hereof.

(ii) In case of a sale of, collection from, or other realization upon all or any of the Collateral and of the application of the proceeds of such sale to the payment of the principal of and interest on the Notes and other amounts owing hereunder in accordance with Article X and XI (as applicable), the Indenture Trustee in its own name, and as trustee of an express trust, subject to Section 2.14(d) and Section 5.3(g), shall be entitled and empowered, by any appropriate means, legal, equitable or otherwise, to enforce payment of, and to receive all amounts then remaining due and unpaid to the Secured Parties, for the benefit of the Secured Parties, with, as applicable, interest at the rate borne by such Notes or such other rate as applicable thereto under the Transaction Documents. Notwithstanding the foregoing, upon the occurrence of an Event of Default and the sale of all or any part of the Collateral, amounts on deposit in the Series Principal Payment Account for each Series of Notes may be applied to amounts owing hereunder in accordance with Article X and XI (as applicable), if any, prior to payment of principal in respect of the immediately succeeding Payment Date.

(iii) Except as required by applicable law or the terms of such judgment or final decree, no recovery of any judgment or final decree by the Indenture Trustee and no levy of any execution under any such judgment upon any of the Collateral shall in any manner or to any extent affect the Lien of this Indenture upon any of such Collateral, or any rights, powers or remedies of the Indenture Trustee, but all such Liens, rights, powers and remedies shall continue unimpaired as before.

(iv) The Indenture Trustee in its own name, or as Indenture Trustee of an express trust, or as attorney-in-fact for Holders of Notes or any Insurer, as the case may be, or in any one or more of such capacities (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand on the Co-Issuers for the payment of overdue principal or interest), shall be entitled and empowered to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee and of any Insurer and the holders of Notes and/or any other Secured Obligation, as applicable (whether such claims be based upon the provisions of such Notes, any Insurance Agreement, any other Secured Obligation or this Indenture), allowed in any receivership, insolvency, bankruptcy, moratorium, liquidation, readjustment, reorganization or any other judicial or other Proceedings relative to the Co-Issuers or any Insurer, the creditors of either of the Co-

Issuers, any Insurer or the Collateral, and any receiver, assignee, indenture trustee, liquidator, sequestrator (or other similar official) in any such judicial or other Proceeding is hereby authorized to make such payments to the Indenture Trustee and, in the event that the Indenture Trustee shall consent to the making of such payments directly to the Noteholders, any Insurer or any other Secured Party, to pay to the Indenture Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel. The Indenture Trustee is hereby irrevocably appointed (and the successive respective holders of the Secured Obligations by taking and holding the Secured Obligations, shall be conclusively deemed to have so appointed the Indenture Trustee) the true and lawful attorney-in-fact of the respective Secured Parties with authority to (x) make and file in the respective names of the Secured Parties (subject to deduction from any such claims of the amounts of any claims filed by any of the Secured Parties themselves to the extent permitted hereby) any claim, proof of claim or amendment thereof, debt, proof of debt or amendment thereof, petition or other document in any such Proceeding and to receive payment of amounts distributable on account thereof, (y) execute any such other papers and documents and do and perform any and all such acts and things for and on behalf of such Secured Parties as may be necessary or advisable in order to have the respective claims of the Secured Parties against the Co-Issuers or the Collateral reorganized and enforced, and (z) receive payment of or on account of such claims and debt; *provided* that nothing contained in this Indenture shall be deemed to give to the Indenture Trustee any right to accept or consent to any plan of reorganization or otherwise by action of any character in any such Proceeding to waive or change in any way any right of any Secured Party. Any monies collected by the Indenture Trustee under this subsection (e) shall be applied as provided in Section 5.4.

(v) All rights of action and of asserting claims under this Indenture, any Insurance Policy, or under any of the Notes enforceable by the Indenture Trustee may be enforced by the Indenture Trustee to the extent permitted by law without possession of any of such Notes or the production thereof at the trial or other Proceedings relative thereto.

(vi) In case the Indenture Trustee shall have proceeded to enforce any right under this Indenture by suit, foreclosure or otherwise and such Proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Indenture Trustee, then in every such case the Co-Issuers, any Insurer and the Indenture Trustee shall, to the extent permitted by law, be restored without further act to their respective former positions and rights hereunder, and all rights, remedies and powers of the Indenture Trustee shall continue as though no such Proceedings had been taken, except to the extent determined in litigation adversely to the Indenture Trustee.

(g) Notwithstanding any other provision of this Indenture, the Notes, any Insurance Agreement, the Servicing Agreement or any other Transaction Document or otherwise (but subject, for the avoidance of doubt to the provisions of Sections 5.3(a), 5.3(b), 5.3(c), 5.3(d), 5.3(e), 5.6 and 5.7 hereof), the liability of the Co-Issuers to the Noteholders, any Insurer, the Servicer, the Initial Purchaser, each Series Hedge Counterparty and the Indenture Trustee under or in relation to the Notes, this Indenture, any Insurance Agreement, the Servicing Agreement or



any other Transaction Document or otherwise, is limited in recourse to the Collateral. The Collateral having been applied in accordance with the terms hereof; none of the Indenture Trustee, the Noteholders, any Insurer, the Initial Purchaser, the Servicer or any Hedge Counterparty shall be entitled to take any further steps against either of the Co-Issuers to recover any sums due but still unpaid hereunder, under the Notes, any Insurance Agreement or any of the other agreements or documents described in this paragraph (g), all claims in respect of which shall be extinguished. In particular, the Indenture Trustee agrees, and each Noteholder by its acceptance of a Note and each other Secured Party and the Servicer by their acceptance of the benefits of this Indenture and each Insurer by its execution of a Series Supplement will be deemed to have agreed, not to take any action or institute any proceeding against either of the Co-Issuers under any Insolvency Law applicable to either of the Co-Issuers; *provided* that each of the Indenture Trustee and the Noteholders, each Insurer, any other Secured Party and the Servicer may become parties to and participate in any Proceeding or action under any Insolvency Law applicable to either of the Co-Issuers that is initiated by any other Person that is not an Affiliate of it.

Section 5.4            Application of Monies Collected by Indenture Trustee. Any monies withdrawn, collected or to be applied by the Indenture Trustee with respect to any Secured Obligation pursuant to this Article V shall be deposited in the Collections Account and, together with any other monies that may then be held by the Indenture Trustee under any of the provisions of this Indenture as part of the Collateral with respect to the Notes, shall be applied in accordance with Section 10.9 and Article XI.

Section 5.5            Waiver of Appraisement, Valuation, Stay and Right to Marshaling. To the extent it may lawfully do so, each of the Co-Issuers for itself and for any Person who may claim through or under it hereby:

- (a)            agrees that neither it nor any such Person will step up, plead, claim or in any manner whatsoever take advantage of any appraisement, valuation, stay, extension or redemption laws, now or hereafter in force in any jurisdiction, which may delay, prevent or otherwise hinder (i) the performance, enforcement or foreclosure of this Indenture, (ii) the sale of, collection from, or other realization upon any of the Collateral, or (iii) the putting of the purchaser or purchasers thereof into possession of such property immediately after the sale thereof;
- (b)            waives all benefit or advantage of any such laws;
- (c)            waives and releases all rights to have the Collateral marshaled upon any foreclosure, sale or other enforcement of this Indenture or of any of the Collateral; and
- (d)            consents and agrees that, subject to the terms of this Indenture, all the Collateral may at any such sale be sold by the Indenture Trustee as an entirety.

Section 5.6            Remedies Cumulative; Delay or Omission Not a Waiver. To the extent permitted by law, every remedy given hereunder to the Indenture Trustee, any Insurer or to any of the Noteholders shall not be exclusive of any other remedy or remedies, and every such remedy shall be cumulative and in addition to every statute, law, equity or otherwise. Subject to

the terms of this Indenture specifically including the rights of any Insurer as Series Controlling Party or Aggregate Controlling Party relating to the Notes or a Series of Notes, respectively (as applicable, so long as such Insurer is the Aggregate Controlling Party relating to the Notes or the Series Controlling Party relating to a Series of Notes), to direct actions of the Indenture Trustee in accordance with the terms of this Indenture, the Indenture Trustee may exercise all or any of the powers, rights or remedies given to it hereunder or which may be now or hereafter given by statute, law, equity or otherwise, in its absolute discretion. No course of dealing between the Co-Issuers, any Insurer and the Indenture Trustee or the Noteholders or any delay or omission of the Indenture Trustee, any Insurer or of the Noteholders to exercise any right, remedy or power accruing upon any Event of Default shall impair any right, remedy or power or shall be construed to be a waiver of any such Event of Default or of any right of the Indenture Trustee, any Insurer or of the Noteholders or acquiescence therein, and every right, remedy and power given by this Article V to the Indenture Trustee, any Insurer or to the Noteholders may, to the extent permitted by law, be exercised from time to time and as often as may be deemed expedient by the Indenture Trustee, any such Insurer or by the Noteholders.

Section 5.7            Control of Notes. Notwithstanding any other provision of this Indenture (but subject, for the avoidance of any doubt, to the provisions of Section 5.3(f) hereof), the Aggregate Controlling Party shall have the right to cause the institution of, and direct the time, method and place of, exercising any right or remedy in respect of any enforcement of the Collateral or conducting any Proceeding for any remedy available to the Indenture Trustee and to direct the exercise of any trust, right, remedy or power conferred on the Indenture Trustee, in all cases insofar as such trust, right remedy or power is to be exercised with respect to such Series of Notes *provided* that:

- (a)            such direction shall be in writing and shall not conflict with any rule of law or with this Indenture;
- (b)            the Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent with such direction or this Indenture; *provided*, however, that, subject to Section 6.1, the Indenture Trustee need not take any action that it determines might involve it in liability (unless the Indenture Trustee has received satisfactory indemnity against such liability as set forth below); and
- (c)            the Indenture Trustee shall have been provided with indemnity reasonably satisfactory to it, it being understood and agreed by the Indenture Trustee that an indemnity by such Insurer (so long as there is no Insurer Event of Default relating to such Insurer) will be satisfactory to the Indenture Trustee if the form and substance of such indemnity is reasonably satisfactory to the Indenture Trustee.

ARTICLE VI

THE INDENTURE TRUSTEE

Section 6.1            Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default:

(i) the Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee; and

(ii) in good faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture; *provided* that in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Indenture Trustee, the Indenture Trustee shall be under a duty to examine the same to determine whether or not they substantially conform to the requirements of this Indenture and shall promptly, but in any event within one (1) Business Day in the case of an Officer's Certificate furnished by the Servicer, notify the party delivering the same if such certificate or opinion does not conform. If a corrected form shall not have been delivered to the Indenture Trustee within two (2) Business Days after such notice from the Indenture Trustee, the Indenture Trustee shall so notify the Holders and such Insurer.

(b) In case an Event of Default known to a Trust Officer of the Indenture Trustee has occurred and is continuing, the Indenture Trustee shall, except in the case of the receipt of directions with respect to such matter from the Aggregate Controlling Party in accordance with the terms of this Indenture, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(c) No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act, its own fraud, its own bad faith or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section 6.1;

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it shall be proven that the Indenture Trustee was negligent in ascertaining the pertinent facts;

(iii) the Indenture Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Series Controlling Party of any Series of Notes or the Aggregate Controlling Party in accordance with this Indenture relating to the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee or exercising any trust or power conferred upon the Indenture Trustee, under this Indenture;

(iv) no provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers contemplated hereunder, if it shall have reasonable grounds for believing that repayment of such funds or adequate security or indemnity against such risk or liability is not

reasonably assured to it (if the amount of such funds or risk or liability does not exceed the amount payable to the Indenture Trustee pursuant to Section 11.1(c)(ii) net of the amounts specified in Section 6.6(a)(i), the Indenture Trustee shall be deemed to be reasonably assured of such repayment); and

(v) the Indenture Trustee shall not be liable to the Holders for any action taken or omitted by it in good faith at the direction of the Series Controlling Party of any Series of Notes or the Aggregate Controlling Party and/or a Holder under circumstances in which such direction is required or permitted by the terms of this Indenture.

(d) For all purposes under this Indenture, the Indenture Trustee shall not be deemed to have notice or knowledge of any Default (other than any event described in Section 5.1(a)(i) or (ii)) unless a Trust Officer assigned to and working in the Corporate Trust Office has actual knowledge thereof or unless written notice of any such event is received by the Indenture Trustee at the Corporate Trust Office, and such notice references, as applicable, the Notes generally, the Co-Issuers, the Collateral or this Indenture.

(e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section 6.1 and Section 6.3.

(f) The Indenture Trustee shall, upon receipt of reasonable prior notice to the Indenture Trustee, permit any Insurer or any representative of a Holder of a Note, during the Indenture Trustee's normal business hours, to examine all books of account, records, reports and other papers of the Indenture Trustee relating to the Notes, to make copies and extracts therefrom (the reasonable out-of-pocket expenses incurred in making any such copies or extracts to be reimbursed to the Indenture Trustee by such Insurer or such Holder).

(g) The Indenture Trustee hereby agrees to act as custodian and hold in trust the IHOP Property Leasing Assignments of Rents, until such time as the Aggregate Controlling Party shall instruct release thereof to the Back-Up Servicer upon the occurrence of an Event of Default.

Section 6.2      Notice of Default. Promptly (and in no event later than two (2) Business Days) after the occurrence of any Default known to a Trust Officer of the Indenture Trustee or after any declaration of acceleration has been made or delivered to the Indenture Trustee pursuant to Section 5.2, the Indenture Trustee shall transmit notice of such Default by mail or facsimile to the Servicer, each Insurer, each Rating Agency (so long as any of the Notes are Outstanding and rated by such Rating Agency) and (unless an Insurer is then the Series Controlling Party relating to a Series of Notes) all Holders of Notes of such Series as their names and addresses appear on the Note Register, unless, in any such case, such Default shall have been cured or waived.

Section 6.3      Certain Rights of Indenture Trustee. Except as otherwise provided in Section 6.1:

(a) the Indenture Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report,

notice, request, direction, consent, order, note or other paper or document believed in good faith by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Co-Issuers mentioned herein shall be sufficiently evidenced by an Company Request or Company Order, as the case may be;

(c) whenever in the administration of this Indenture the Indenture Trustee shall (i) deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Indenture Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate or (ii) be required to determine the value of any Collateral or funds hereunder or the cash flows projected to be received therefrom, the Indenture Trustee may, in the absence of bad faith on its part, rely on reports of Independent, nationally recognized accountants, investment bankers or other Persons qualified to provide the information required to make such determination, including Independent, nationally recognized dealers in securities of the type being valued and securities quotation services;

(d) as a condition to the taking or omitting of any action by it hereunder, the Indenture Trustee may consult with external counsel as to matters of law and the advice of such counsel or any Opinion of Counsel delivered by external counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in reliance therein;

(e) the Indenture Trustee shall be under no obligation to exercise or to honor any of the rights or powers vested in it by this Indenture at the request or direction of any Insurer or any of the Holders pursuant to this Indenture, unless such Insurer or such Holders shall have offered to the Indenture Trustee reasonable security or indemnity against all costs, expenses and liabilities which might reasonably be incurred by it in compliance with such request or direction, it being understood and agreed by the Indenture Trustee that an indemnity by such Insurer (so long as there is no Insurer Event of Default relating to such Insurer) will be satisfactory to the Indenture Trustee if the form and substance of such indemnity is reasonably satisfactory to the Indenture Trustee;

(f) the Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, note or other paper documents, but the Indenture Trustee, in its discretion, may and, upon the written direction of the Series Controlling Party of any Series of Notes, the Aggregate Controlling Party or any Rating Agency shall, make such further inquiry or investigation into such facts or matters as it may see fit or as it shall be directed, and, the Indenture Trustee shall be entitled, on reasonable prior notice to the Co-Issuers, to examine the books and records relating to the Notes and the Collateral, as applicable, and the premises of either of the Co-Issuers and the Servicer, personally or by agent or attorney during the Co-Issuers' or the Servicer's normal business hours; *provided* that the Indenture Trustee shall, and shall cause its agents to, hold in confidence all such information, except (i) to the extent disclosure may be required by law by any regulatory authority and (ii) except to the extent that the Indenture Trustee, in its sole judgment, may determine that such disclosure is consistent with its obligations hereunder;

(g) the Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys;

(h) the Indenture Trustee shall not be liable for any action it takes or omits to take in good faith that it reasonably and, after the occurrence and during the continuation of an Event of Default, subject to Section 6.1(b), prudently believes to be authorized or within its rights or powers hereunder;

(i) the Indenture Trustee shall not be responsible for the accuracy of the books or records of, or for any acts or omissions of, DTC, any Transfer Agent (other than the Indenture Trustee itself acting in that capacity), Clearstream, Euroclear, any Calculation Agent (other than the Indenture Trustee itself acting in that capacity) or any Paying Agent (other than the Indenture Trustee itself acting in that capacity); and

(j) the Indenture Trustee shall not be liable for the actions or omissions of the Servicer, and, without limiting the foregoing, the Indenture Trustee shall not (except to the extent, if at all, otherwise expressly stated in this Indenture) be under any obligation to monitor, evaluate or verify compliance by the Servicer with the terms hereof or the Servicing Agreement.

Section 6.4 May Hold Notes. The Indenture Trustee, any Paying Agent, Note Registrar or any other agent of the Co-Issuers, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Co-Issuers or any of its Affiliates with the same rights it would have if it were not Indenture Trustee, Paying Agent, Note Registrar or such other agent.

Section 6.5 Money Held in Trust. Money held by the Indenture Trustee hereunder shall be held in trust to the extent required herein. The Indenture Trustee shall be under no liability for interest on any Money received by it hereunder except as otherwise agreed upon with the Co-Issuers and except to the extent of income or other gain on investments which are deposits in or certificates of deposit of the Indenture Trustee in its commercial capacity and income or other gain actually received by the Indenture Trustee on Eligible Investments.

Section 6.6 Compensation and Reimbursement. (a) The Co-Issuers agree, subject to Article X and Article XI:

(i) to pay the fees of the Indenture Trustee on each Payment Date as compensation for all services rendered by it hereunder as set forth in the separate letter agreement between the Co-Issuers and the Indenture Trustee (which compensation shall not be limited by any provision of law in regard to the compensation of a Indenture Trustee of an express trust);

(ii) except as otherwise expressly provided herein, to reimburse the Indenture Trustee (subject to any written agreement between the Co-Issuers and the Indenture Trustee) in a timely manner upon its request for all reasonable expenses, disbursements and advances incurred or made by the Indenture Trustee in accordance with any provision of this Indenture (including securities transaction charges to the extent not waived, and the reasonable compensation, expenses and disbursements of its agents and

legal counsel, except any such expense, disbursement or advance as may be attributable to its negligence, willful misconduct, fraud or bad faith);

(iii) to indemnify the Indenture Trustee and its officers, directors, employees and agents for, and to hold them harmless against, any loss, liability or expense incurred in good faith without negligence, willful misconduct, fraud or bad faith on their part, arising out of or in connection with the acceptance or administration of this trust, including the reasonable costs and expenses of defending themselves against any claim or liability in connection with the exercise or performance of any of their powers or duties hereunder; and

(iv) to pay the Indenture Trustee reasonable additional compensation together with its expenses (including reasonable counsel fees) for any collection action taken pursuant to Section 5.3.

(b) The Co-Issuers may remit payment for such fees and expenses to the Indenture Trustee or, in the absence thereof, the Indenture Trustee may from time to time deduct payment of its fees and expenses hereunder from Monies on deposit in the Operating Expense Payment Account in accordance with Article XI.

(c) The Indenture Trustee hereby agrees not to institute against, or join any other Person in instituting against, any of the Securitization Entities any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, or other proceedings under the Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership or other similar law of any jurisdiction now or hereafter in effect, for the non payment to the Indenture Trustee of any amounts provided by this Section 6.6 until at least one (1) year and (1) one day after the payment in full of all Notes issued under this Indenture or, if longer, the applicable preference period then in effect.

(d) The Indenture Trustee agrees that the payment of all amounts to which it is entitled pursuant to subsections 6.6(a)(i), (a)(ii) and (a)(iii) shall be subject to Article XI and shall be payable only to the extent funds are available therefor in accordance with Article XI.

Fees shall be accrued on the actual number of days in the related Interest Accrual Period. The Indenture Trustee shall receive amounts pursuant to this Section 6.6 and Section 11.1(c)(ii) only to the extent that such payment is made in accordance with Article XI and the failure to pay such amounts to the Indenture Trustee shall not, by itself, constitute an Event of Default. Subject to Section 6.8, the Indenture Trustee shall continue to serve as Indenture Trustee under this Indenture notwithstanding the fact that the Indenture Trustee shall not have received amounts due it hereunder. No direction by the Series Controlling Party of any Series of Notes or the Aggregate Controlling Party shall affect the right of the Indenture Trustee to collect amounts owed to it under this Indenture.

If on any Payment Date when any amount shall be payable to the Indenture Trustee pursuant to this Indenture is not paid because there are insufficient funds available for the payment thereof in accordance with Article XI, all or any portion of such amount not so paid

shall be deferred and payable on any later Payment Date on which a fee shall be payable and sufficient funds are available therefor in accordance with Article XI.

Section 6.7 Corporate Indenture Trustee Required; Eligibility. There shall at all times be a Indenture Trustee hereunder which shall be a bank, corporation or trust company organized and doing business under the laws of the United States of America or of any State thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$200,000,000, subject to supervision or examination by federal or State authority, having a rating of at least “Baa1” by Moody’s and at least “BBB+” by S&P, and having an office within the United States. If such bank, corporation or trust company publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 6.7, the combined capital and surplus of such bank, corporation or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section 6.7, it shall resign immediately in the manner and with the effect hereinafter specified in this Article VI.

Section 6.8 Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Indenture Trustee and no appointment of a successor Indenture Trustee pursuant to this Article VI shall become effective until the acceptance of appointment by the successor Indenture Trustee under Section 6.9. The indemnification in favor of a resigning or removed Indenture Trustee in Section 6.6 hereof shall survive any resignation and removal (to the extent of any indemnified liabilities, costs, expenses and other amounts arising or incurred prior to, or arising out of actions or omissions occurring prior to, such resignation or removal).

(b) The Indenture Trustee may resign at any time by giving not less than thirty (30) days’ prior written notice thereof to the Co-Issuers, each Insurer, the Holders and the Rating Agencies. Upon receiving such notice of resignation, the Co-Issuers, with the consent of the Aggregate Controlling Party, shall promptly appoint a successor Indenture Trustee or Indenture Trustees by written instrument, in duplicate, executed by an Authorized Officer of the each of the Co-Issuers, one copy of which shall be delivered to the Indenture Trustee so resigning and one copy to the successor Indenture Trustee or Indenture Trustees, together with a copy to each Holder, each Insurer and the Servicer. If no successor Indenture Trustee shall have been appointed and an instrument of acceptance by a successor Indenture Trustee shall not have been delivered to the Indenture Trustee within thirty (30) days after the giving of such notice of resignation, at the direction of the Aggregate Controlling Party the resigning Indenture Trustee, or on behalf of itself and all others similarly situated, may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(c) Subject to Section 6.8(a) and 6.8(e), the Indenture Trustee may be removed at any time by the Aggregate Controlling Party by an Aggregate Controlling Party Order to such effect, delivered to the Indenture Trustee and to the Co-Issuers.

(d) If at any time:



(i) the Indenture Trustee shall cease to be eligible under Section 6.7 and shall fail to resign after written request therefor by the Co-Issuers or by the Aggregate Controlling Party; or

(ii) the Indenture Trustee shall become incapable of acting; or

(iii) a court having jurisdiction in the premises in respect of the Indenture Trustee in an involuntary Proceeding under federal or state banking or bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law shall have entered a decree or order granting relief or appointing a receiver, liquidator, assignee, custodian, trustee, conservator or sequestrator (or similar official) for the Indenture Trustee or for any substantial part of the Indenture Trustee's property or ordering the winding up or liquidation of the Indenture Trustee's affairs; *provided* that any such decree or order shall have continued unstayed and in effect for a period of sixty (60) consecutive days; or

(iv) the Indenture Trustee commences a voluntary Proceeding under any federal or state banking or bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law or consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, conservator or sequestrator (or other similar official) for the Indenture Trustee or for any substantial part of the Indenture Trustee's property or makes any assignment for the benefit of its creditors or fails generally to pay its debts as such debts become due or takes any corporate action in furtherance of any of the foregoing;

then, in any such case (subject to Sections 6.8(a) and 6.8(e)), (A) the Aggregate Controlling Party or the Co-Issuers (with the consent of the Series Controlling Party relating to each Series of Notes for as long as the Series Controlling Party for such Series of Notes is an Insurer) may by the Aggregate Controlling Party Order or Company Order (as applicable) remove the Indenture Trustee, and the Indenture Trustee hereby agrees to resign immediately in the manner and with the effect provided in this Section 6.8, or (B) any Holder may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

(e) If the Indenture Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Indenture Trustee for any reason, the Co-Issuers with the consent of the Aggregate Controlling Party, by Company Order, shall promptly appoint a successor Indenture Trustee as provided herein. If the Co-Issuers shall fail to appoint a successor Indenture Trustee within thirty (30) days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Indenture Trustee may be appointed by Act of the Aggregate Controlling Party delivered to the Co-Issuers and the retiring Indenture Trustee. The successor Indenture Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Indenture Trustee and supersede any successor Indenture Trustee proposed by the Co-Issuers. If no successor Indenture Trustee shall have been so appointed by the Co-Issuers or the Aggregate Controlling Party and shall have accepted appointment in the manner hereinafter provided, except as otherwise provided in this Indenture,

any Holder may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(f) The Co-Issuers shall give prompt notice of each resignation and each removal of the Indenture Trustee and each appointment of a successor Indenture Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Rating Agencies, each Insurer and the Holders of the Notes as their names and addresses appear in the Note Register. Each notice shall include the name of the successor Indenture Trustee and the address of its Corporate Trust Office. If the Co-Issuers fail to mail such notice within ten (10) days after acceptance of appointment by the successor Indenture Trustee, the successor Indenture Trustee shall cause such notice to be given at the expense of the Co-Issuers.

Section 6.9 Acceptance of Appointment by Successor. Every successor Indenture Trustee appointed hereunder shall execute, acknowledge and deliver to the Co-Issuers, each Insurer (so long as such Insurer is a Series Controlling Party) and the retiring Indenture Trustee an instrument (in form and substance reasonably satisfactory to each Insurer for so long as such Insurer is a Series Controlling Party) accepting such appointment. Upon delivery of the required instruments, the resignation or removal of the retiring Indenture Trustee shall become effective and such successor Indenture Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of the retiring Indenture Trustee; but, on request of the Co-Issuers or the Series Controlling Party of any Series of Notes or the successor Indenture Trustee, such retiring Indenture Trustee shall, upon payment of its charges then unpaid, execute and deliver an instrument (in form and substance satisfactory to each Insurer for so long as such Insurer is a Series Controlling Party) transferring to such successor Indenture Trustee all the rights, powers and trusts of the retiring Indenture Trustee, and shall duly assign, transfer and deliver to such successor Indenture Trustee all property and Money held by such retiring Indenture Trustee hereunder, subject nevertheless to its Lien, if any, provided for in Section 6.6(b). Upon request of each Insurer (for so long as such Insurer is a Series Controlling Party) or any such successor Indenture Trustee, the Co-Issuers shall execute any and all instruments (in form and substance satisfactory to such Insurer or successor Indenture Trustee) for more fully and certainly vesting in and confirming to such successor Indenture Trustee all such rights, powers and trusts.

For the avoidance of doubt and notwithstanding anything to the contrary herein, no successor Indenture Trustee shall accept its appointment unless at the time of such acceptance such successor shall be qualified and eligible under this Article VI and a Rating Agency Notification has been provided and the Aggregate Controlling Party has consented with respect to such appointment.

Section 6.10 Merger, Conversion, Consolidation or Succession to Business of Indenture Trustee. Any corporation or entity into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation or entity resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation or entity succeeding to all or substantially all of the corporate trust business of the Indenture Trustee shall be the successor of the Indenture Trustee hereunder, *provided* such corporation or entity shall be otherwise qualified and eligible under this Article VI, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case

any of the Notes has been authenticated, but not delivered, by the Indenture Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Indenture Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Indenture Trustee had itself authenticated such Notes. The Indenture Trustee shall provide written notice to each Insurer that is the Series Controlling Party relating to a Series of Notes and the Co-Issuers of any such merger, conversion or consolidation.

Section 6.11 Co-Indenture Trustees and Separate Indenture Trustee. At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any part of the Collateral may at the time be located, the Co-Issuers and the Indenture Trustee with the consent of each Insurer that is a Series Controlling Party (such consent not to be unreasonably withheld, conditioned or delayed) shall have power to appoint a Co-Indenture Trustee (a “Co-Indenture Trustee”), jointly with the Indenture Trustee of all or any part of the Collateral, with the power to file such proofs of claim and take such other actions pursuant to Section 5.6 herein and to make such claims and enforce such rights of action on behalf of the Holders of the Notes, as such Holders themselves may have the right to do, subject to the other provisions of this Section 6.11.

The Co-Issuers shall join with the Indenture Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint a Co-Indenture Trustee. If the Co-Issuers do not join in such appointment within fifteen (15) days after the receipt by them of a request to do so, the Indenture Trustee shall have power to make such appointment.

Should any written instrument from the Co-Issuers be required by any Co-Indenture Trustee so appointed, more fully confirming to such Co-Indenture Trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Co-Issuers. The Co-Issuers agree to pay in the case of a Co-Indenture Trustee to the extent that funds are available therefor under Section 11.1(c)(ii), for any reasonable fees and expenses in connection with such appointment.

Every Co-Indenture Trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms:

(a) the Notes shall be authenticated and delivered solely by the Indenture Trustee and all rights, powers, duties and obligations hereunder in respect of the custody of securities and any Cash or other personal property held by, or required to be deposited or pledged with, the Indenture Trustee hereunder, shall be exercised solely by the Indenture Trustee;

(b) the rights, powers, duties and obligations hereby conferred or imposed upon the Indenture Trustee in respect of any property covered by the appointment of a Co-Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee or by the Indenture Trustee and such Co-Indenture Trustee jointly in the case of the appointment of a Co-Indenture Trustee, as shall be provided in the instrument appointing such Co-Indenture Trustee;

(c) no Co-Indenture Trustee hereunder shall be personally liable by reason of any act or omission of the Indenture Trustee hereunder;

(d) the Indenture Trustee shall not be liable by reason of any act or omission of a Co-Indenture Trustee; and

(e) any Act of Holders delivered to the Indenture Trustee shall be deemed to have been delivered to each Co-Indenture Trustee, and the Indenture Trustee shall mail a copy thereof to each Co-Indenture Trustee.

**Section 6.12 Fiduciary for Holders Only; Agent for Other Secured Parties.** With respect to the security interests created hereunder, the pledge of any item of Collateral to the Indenture Trustee is to the Indenture Trustee for its own benefit, as representative of the Holders of the Notes and as agent for the other Secured Parties. In furtherance of the foregoing, the possession by the Indenture Trustee of any item of Collateral are all undertaken by the Indenture Trustee in its capacity as representative of the Holders of the Notes and agent for the other Secured Parties.

**Section 6.13 Withholding.** If any amount is required to be deducted or withheld from any payment to any Holder of Notes, such tax shall reduce the amount otherwise distributable to such Holder of Notes and such reduction will not be covered by any Insurer in connection with any withholding. The Indenture Trustee is hereby authorized to withhold or deduct from amounts otherwise distributable to any Holder of Notes sufficient funds for the payment of any tax that is legally required to be withheld or deducted (but such authorization shall not prevent the Indenture Trustee from contesting any such tax in appropriate Proceedings and legally withholding payment of such tax, pending the outcome of such Proceedings). The amount of any withholding tax imposed with respect to any Holder of Notes shall be treated as Cash distributed to such Holder of Notes, as applicable, at the time it is deducted or withheld by the Co-Issuers or the Indenture Trustee and remitted to the appropriate taxing authority. If there is a possibility that withholding tax is payable with respect to a distribution, the Indenture Trustee may in its sole discretion withhold such amounts in accordance with this Section 6.13. If any Holder of Notes wishes to apply for a refund of any such withholding tax, the Indenture Trustee shall reasonably cooperate with such Holder of Notes in making such claim so long as such Holder of Notes agrees to reimburse the Indenture Trustee for any reasonable out-of-pocket expenses incurred. Nothing herein shall impose an obligation on the part of the Indenture Trustee to determine the amount of any tax or withholding obligation on the part of the Co-Issuers or in respect of the Notes.

**Section 6.14 Authenticating Agents.** Upon the request of the Co-Issuers, the Indenture Trustee shall, and if the Indenture Trustee so chooses the Indenture Trustee may, appoint one or more Authenticating Agents with power to act on its behalf and subject to its direction in the authentication of Notes in connection with issuance, transfers and exchanges under Article II, as fully to all intents and purposes as though each such Authenticating Agent had been expressly authorized by such Sections to authenticate such Notes. For all purposes of this Indenture, the authentication of Notes by an Authenticating Agent pursuant to this Section 6.14 shall be deemed to be the authentication of Notes by the Indenture Trustee.

Any corporation or entity into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation or entity resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation or entity succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of such Authenticating Agent hereunder, without the execution or filing of any documents (except as required by law) or any further act on the part of the parties hereto or such Authenticating Agent or such successor corporation or entity. Any Authenticating Agent may at any time resign by giving written notice of resignation to the Indenture Trustee and the Co-Issuers. The Indenture Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and the Co-Issuers. Upon receiving such notice of resignation or upon such a termination, the Indenture Trustee shall promptly appoint a successor Authenticating Agent and shall give written notice of such appointment to the Co-Issuers.

The Indenture Trustee agrees to pay to each Authenticating Agent appointed by it from time to time reasonable compensation for its services, and reimbursement for its reasonable expenses relating thereto and the Indenture Trustee shall be entitled to be reimbursed for such payments, subject to Section 6.6 and Article XI. The provisions of Sections 2.9, 6.4 and 6.5 shall be applicable to any Authenticating Agent.

**ARTICLE VII**

**REPRESENTATIONS AND COVENANTS**

Section 7.1 Payment of Principal and Interest. The Co-Issuers shall duly and punctually pay the principal of and interest on the Notes in accordance with the terms of such Notes and this Indenture. Amounts properly withheld under the Code or other applicable law by any Person from a payment to any Holder of interest and/or principal shall be considered as having been paid by the Co-Issuers to such Holder for all purposes of this Indenture.

Subject to Section 6.13 hereof, the Indenture Trustee shall, unless prevented from doing so for reasons beyond its reasonable control, give notice to each Holder of any such withholding requirement no later than ten (10) days prior to the date of the payment from which amounts are required to be withheld; *provided* that despite the failure of the Indenture Trustee to give such notice, amounts withheld pursuant to applicable tax laws shall be considered as having been paid by the Co-Issuers as provided above.

Section 7.2 Maintenance of Office or Agency. The Co-Issuers hereby appoint the Indenture Trustee as a Paying Agent for the payment of principal of and interest on the Notes, and as the Co-Issuers’ agent where notices and demands to or upon the Co-Issuers in respect of the Notes or this Indenture may be served and where Notes may be surrendered for registration of transfer or exchange.

The Co-Issuers may at any time and from time to time vary or terminate the appointment of any such agent or appoint any additional agents for any or all of such purposes; *provided* that the Co-Issuers shall maintain in the Borough of Manhattan, The City of New York, an office or agency where notices and demands to or upon the Co-Issuers in respect of the Notes

and this Indenture may be served and, subject to any laws or regulations applicable thereto, an office or agency outside of the United States where Notes may be presented and surrendered for payment; *provided, further*, that no paying agent shall be appointed in a jurisdiction outside of the United States which subjects payments on the Notes to withholding tax. The Co-Issuers shall at all times maintain a duplicate copy of the Note Register with respect to the Notes in the city in which the Corporate Trust Office is located. The Co-Issuers shall give prompt written notice to the Indenture Trustee, each Insurer (for so long as such Insurer is a Series Controlling Party relating to a Series of Notes), the Rating Agencies and the Holders of the appointment or termination of any such agent and of the location and any change in the location of any such office or agency.

If at any time the Co-Issuers shall fail to maintain any such required office or agency in the Borough of Manhattan, The City of New York, or outside the United States, or shall fail to furnish the Indenture Trustee and each Insurer (for so long as it is a Series Controlling Party) with the address thereof, presentations and surrenders may be made (subject to the limitations described in the preceding paragraph) at and notices and demands may be served on the Co-Issuers, and Notes may be presented and surrendered for payment to the appropriate Paying Agent at its main office and the Co-Issuers hereby appoints the same as its agent to receive such respective presentations, surrenders, notices and demands.

Section 7.3 Money for Security Payments to Be Held in Trust. All payments of amounts due and payable with respect to any Notes that are to be made from amounts withdrawn from the Indenture Trust Accounts pursuant to this Indenture shall be made on behalf of the Co-Issuers by the Indenture Trustee (from and to the extent of available funds in such accounts as specified in this Indenture and subject to Article XI).

Section 7.4 Existence of the Co-Issuers; Independent Managers; Existence of IHOP Inc.

(a) Each of the Co-Issuers shall maintain in full force and effect its existence and rights as a limited liability company organized under the State of Delaware and shall obtain and preserve its qualification to do business as a foreign limited liability company in each jurisdiction in which such qualifications are or shall be necessary to protect the validity and enforceability of this Indenture or the Notes or to avoid any Material Adverse Effect. The Issuer shall be owned or controlled, directly or indirectly, by IHOP Corp. or an entity meeting the requirements of Section 7.4(b) below at all times.

Each of the Co-Issuers shall ensure that all limited liability company or other formalities regarding its existence (including holding regular board meetings, or other similar meetings) are followed. Neither of the Co-Issuers shall take any action or conduct its affairs nor cause any of the other Securitization Entities to take any action or conduct its affairs in a manner that is likely to result in its separate existence being ignored or in its assets and liabilities being substantively consolidated with any other Person in a bankruptcy, reorganization or other insolvency proceeding.

At all times the managers of each of the Securitization Entities shall include at least two (2) Independent managers.

(b) No Person other than IHOP Corp. shall become the owner of more than fifty percent (50%) of the voting stock in IHOP Inc. IHOP Corp. shall not merge with another entity unaffiliated with IHOP Corp. if IHOP Corp. is not the surviving entity unless (1) such surviving entity has executed an assumption agreement pursuant to which it agrees to assume all of the obligations of IHOP Corp. under the Transaction Documents and (2) the Rating Agency Condition is satisfied with respect to each then Outstanding Series of Notes.

Section 7.5 Protection of Collateral; Performance of Obligations. (a) The Co-Issuers shall from time to time authorize and deliver all such supplements and amendments hereto and all such Financing Statements, continuation statements, instruments of further assurance and other instruments, and shall take such other reasonable action as may be necessary or advisable or desirable to secure the rights and remedies of the Secured Parties hereunder and to:

- (i) Grant more effectively all or any portion of the Collateral;
- (ii) maintain or preserve the Lien (and the priority thereof) of this Indenture or to carry out more effectively the purposes hereof and to maintain and preserve the status of the Collateral as being free of Liens except from the Lien created hereby and Permitted Liens;
- (iii) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations);
- (iv) enforce any of the instruments or property included in the Collateral;
- (v) preserve and defend title to the Collateral and the rights of the Secured Parties in the Collateral against the claims of all Persons; and
- (vi) (x) pay or cause to be paid any and all taxes levied or assessed upon either of the Co-Issuers or in respect of all or any part of the Collateral and timely file all tax returns and information statements as required and to provide each beneficial owner of Notes any information that the beneficial owner reasonably requests in order for the beneficial owner to comply with its federal, state or local tax and information returns and reporting obligations and (y) if required to prevent the withholding or imposition of United States income tax, deliver or cause to be delivered a United States Internal Revenue Service Form W-9 or successor applicable form, to each Co-Issuer, counterparty or paying agent with respect to (as applicable) any item included in the Collateral at the time such item included in the Collateral is purchased or entered into and thereafter prior to the expiration or obsolescence of such form.

The Co-Issuers shall file (or cause to be filed) any Financing Statement, continuation statement or other instrument required pursuant to this Section 7.5 as are necessary to maintain perfection of the Collateral perfected by the filing of Financing Statements. The Indenture Trustee agrees that it shall from time to time, at the direction of the Aggregate Controlling Party or the Co-Issuers execute and cause to be filed Financing Statements and continuation statements.

The Co-Issuers hereby agrees to file (or cause to be filed) any Financing Statements or continuation statements, and amendments to Financing Statements, in any jurisdictions and with any filing offices as the Indenture Trustee may determine, in its sole discretion, are necessary or advisable to perfect the security interest granted to the Indenture Trustee in connection herewith. Such Financing Statements may describe the Collateral in the same manner as described in the Granting Clause of this Indenture or may contain an indication or description of Collateral that describes such property in any other manner as the Indenture Trustee may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Indenture Trustee in connection herewith, including, without limitation, describing such property as “all assets” or “all personal property,” “whether now owned or existing, or hereafter acquired or arising.”

(b) The Indenture Trustee shall not, except for payments, deliveries and distributions otherwise expressly permitted or required under this Indenture, remove any portion of the Collateral that consists of Cash or is evidenced by an instrument, certificate or other writing (A) from the jurisdiction in which it was held at the date the most recent Opinion of Counsel was delivered pursuant to Section 7.6 hereof (or from the jurisdiction in which it was held as described in the Opinion of Counsel delivered at the Closing Date pursuant to Section 3.1(b), if no Opinion of Counsel has yet been delivered pursuant to Section 7.6 hereof) or (B) from the possession of the Person who held it on such date.

(c) The Co-Issuers shall pay or cause to be paid taxes, if any, levied on account of the beneficial ownership by the Co-Issuers of any of the Collateral.

Section 7.6 Opinions as to Collateral. On or before September 30th of each year, and at such other times, upon request of any Series Controlling Party at such requesting party’s cost (unless an Event of Default has occurred in which case the Co-Issuers shall bear the cost), the Co-Issuers shall cause to be furnished to the Indenture Trustee and each Insurer (for so long as such Insurer is a Series Controlling Party) an Opinion of Counsel stating that, in the opinion of such counsel, as of the date of such opinion, the Lien and security interest created by this Indenture with respect to the Collateral remains in effect, that no further action (other than any action specified in such Opinion of Counsel) needs to be taken for the continued effectiveness and perfected status of such Lien during such calendar year and confirming the matters set forth in the Opinion of Counsel, furnished pursuant to Section 3.1(b), with regard to the perfection and priority of such security interest (and such Opinion of Counsel may likewise be subject to qualifications and assumptions similar to those set forth in the opinion delivered pursuant to Section 3.1(b)).

Section 7.7 Performance of Obligations. (a) Neither of the Co-Issuers shall take any action, and each of the Co-Issuers shall use its reasonable efforts not to permit any action to be taken by others, that would release any Person from any of such Person’s covenants or obligations under any instrument included in the Collateral.

(b) The Co-Issuers may, with the prior written consent of each Insurer (for so long as such Insurer is a Series Controlling Party) and, where an Insurer is not the Series Controlling Party as to a Series of Notes, if a Rating Agency Notification is provided with respect to such Series (except in the case of the Servicing Agreement as initially executed for



which no consent is required), contract with other Persons, including the Servicer, for the performance of actions and obligations to be performed by either of the Co-Issuers hereunder by such Persons and the performance of the actions and other obligations with respect to the Collateral of the nature set forth in the Servicing Agreement by the Servicer. Notwithstanding any such arrangement, the Co-Issuers shall remain primarily liable with respect thereto. In the event of such contract, the performance of such actions and obligations by such Persons shall be deemed to be performance of such actions and obligations by the Co-Issuers; and each of the Co-Issuers shall punctually perform, and use its commercially reasonable efforts to cause the Servicer or such other Person to perform, all of their obligations and agreements contained in the Servicing Agreement or such other agreement.

Section 7.8 Negative Covenants. (a) Each of the Co-Issuers shall not nor cause any Securitization Entity (or permit any Securitization Entity) to (as applicable):

- (i) sell, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, Lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of the Collateral, except Permitted Liens or except as expressly permitted by this Indenture and the Servicing Agreement;
- (ii) claim any credit on, or make any deduction from, or dispute the enforceability of, the payment of the principal or interest payable in respect of the Notes (other than amounts required to be paid, deducted or withheld in accordance with the Code or any other applicable laws) or assert any claim against any present or future Holder by reason of the payment of any taxes levied or assessed upon any part of the Collateral;
- (iii) (A) incur, assume or guarantee or become directly or indirectly liable with respect to any indebtedness or any contingent obligations (including swap agreements, cap agreements, reimbursement obligations, repurchase obligations or the like) other than pursuant to the Indenture, the Transaction Documents and any other agreements and transactions expressly permitted by this Indenture or the other Transaction Documents, (B) issue any Notes other than any pursuant to Section 2.3, or (C) issue any additional limited liability company interests;
- (iv) except as may be expressly permitted hereby or by the Servicing Agreement, (A) permit the validity or effectiveness of this Indenture or any Grant hereunder to be impaired, or permit the Lien of this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to this Indenture or the Notes, (B) except for the Lien of this Indenture, Permitted Liens or as otherwise permitted under this Indenture, permit any Lien (including, without limitation, any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise (other than the Lien of this Indenture)) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof, any interest therein or the proceeds thereof, or (C) take any action that would permit the Lien of this Indenture

not to constitute a valid, first-priority perfected security interest in the Collateral, subject to Permitted Liens and other than as permitted hereunder;

- (v) make or incur any capital expenditures;
- (vi) become liable in any way, whether directly or by assignment or as a guarantor or other surety, for the obligations of the lessee under any lease;
- (vii) remove the legend from any Notes without an Opinion of Counsel that such action will not result in a violation under either the Securities Act or the Investment Company Act;
- (viii) enter into any transaction with any Affiliate other than the transactions contemplated by the Transaction Documents or transactions contemplated by the Transaction Documents on terms no less favorable than those obtainable in an arm's-length transaction with a wholly unaffiliated Person;
- (ix) maintain, accept transfer of, or otherwise obtain any bank account other than those pledged pursuant to this Indenture, including the Indenture Trust Accounts;
- (x) conduct business under any other name or change its name or jurisdiction of organization without first delivering to the Indenture Trustee, each Insurer (for so long as it is a Series Controlling Party) and the Rating Agencies notice thereof and an Opinion of Counsel that such activity or such change in name or jurisdiction will not adversely affect the Lien or the interest hereunder of the Secured Parties and, to the extent such name does not incorporate the IHOP Brand, obtaining the consent of the Aggregate Controlling Party;
- (xi) make or declare dividends or distributions, whether in cash, securities, property or a combination thereof, in excess of the amounts available for distribution by the Issuer in accordance with Section 10.9;
- (xii) have any subsidiaries other than the subsidiaries in existence on the Closing Date except with the consent of the Aggregate Controlling Party;
- (xiii) consolidate or merge with or into any Person, convey or transfer all or substantially all of its assets to any Person, terminate its existence, dissolve or liquidate in whole or in part, except as expressly permitted hereunder;
- (xiv) lend any of the Collateral to any securities lending counterparty (including, without limitation, any bank, insurance company, broker-dealer or other financial institution) pursuant to any securities lending agreement or enter into any other similar securities lending transaction;
- (xv) hire or have any employees;
- (xvi) except for Permitted Liens, sell, transfer, exchange or otherwise grant any rights in or dispose of its assets other than Excluded Assets or the payment of

distributions to its member to the extent permitted under this Indenture, *provided* that Co-Issuers may dispose of obsolete property and IP Assets that are no longer in use or, in the reasonable business judgment of Co-Issuers, not otherwise commercially reasonable to maintain, and may Grant licenses and sublicenses of IP Assets in accordance with the Transaction Documents;

(xvii) without the consent of each Series Controlling Party that is an Insurer (or each Insurer, if applicable to the provision in question) (such consent not to be unreasonably withheld), or where any Series Controlling Party is not an Insurer, without satisfaction of the Rating Agency Condition, amend, supplement or otherwise modify any of the Transaction Documents or waive any breach or proposed breach of any provision of the Transaction Documents or give any consent thereunder;

(xviii) terminate the appointment of the Servicer other than in accordance with the Servicing Agreement;

(xix) take any action or fail to take any action, if such action or failure to take action could reasonably be expected to interfere in any material respect with the enforcement of any rights of any Insurer or the Indenture Trustee under the agreements or instruments relating to any of the Collateral;

(xx) (A) fail to pay any assessment, including any tax assessment, charge or fee with respect to the Trust Estate in excess of \$100,000 in the aggregate at any one time outstanding and the Co-Issuers shall not have remedied such failure to pay within 30 days of the knowledge of an Authorized Officer of either of the Co-Issuers of such failure, or (B) fail to defend any action known to a Authorized Officer of either of the Co-Issuers, if, in any such case, such failure to pay or defend may adversely affect the priority or enforceability of the Lien over the Collateral created by this Indenture or materially reduce the amount of the Collateral or otherwise would be reasonably likely to have a Material Adverse Effect, *provided* that the Co-Issuers shall not be required to (1) pay any assessment, including any tax assessment, charge or fee with respect to the Collateral if the same is being contested in good faith, by appropriate proceedings diligently pursued, so long as appropriate reserves are maintained and so long as such nonpayment will not, under applicable law, entitle any Person to place a Lien on or result in the forfeiture of the Collateral or any material portion thereof or (2) defend an action or actions known to an Authorized Officer of either of the Co-Issuers solely for civil damages not in excess of an aggregate amount of \$100,000, as confirmed in writing by external counsel;

(xxi) amend or agree to amend the Servicing Agreement to increase the fees payable to the Servicer thereunder unless (i) the Rating Agency Condition is satisfied and (ii) each Insurer (if such Insurer is then a Series Controlling Party), if applicable, consents thereto;

(xxii) none of the Issuer, Co-Issuer nor any Securitization Entity shall establish or maintain or contribute to any Plan that is covered by Title IV of ERISA;

(xxiii) without the consent of the Aggregate Controlling Party, issue any Series of Notes that would cause the Aggregate Outstanding Principal Amount of all Series of Notes (including the undrawn amount of any variable funding Series of Notes) with floating interest rates to be greater than the least of the Unhedged Floating Rate Note Principal Limits applicable with respect to any Outstanding Notes;

(xxiv) take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth above in this Section 7.8.

(b) Neither the Co-Issuers nor the Indenture Trustee shall sell, transfer, exchange or otherwise dispose of Collateral, or enter into or engage in any business with respect to any part of the Collateral, except as expressly permitted by this Indenture and the Servicing Agreement.

Section 7.9 No Other Business. The Co-Issuers shall not engage in any business or activity other than issuing and selling the Notes pursuant to this Indenture and any supplements thereto, entering into any Series Hedge Agreements, acting as franchisor of the Restaurants and sub-licensor of the Licensed IP (with respect to the Issuer) or acting as licensor of the IP Assets (with respect to the Co-Issuer), entering into the Transaction Documents and acquiring, owning, holding, enforcing, pledging and disposing of, solely for their own respective accounts, the Collateral in connection with the Notes in accordance with the Transaction Documents, and such other activities which are contemplated under the Transaction Documents or otherwise necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith; *provided* that such business or activity shall relate to the food service industry and, *provided, further*, that the Issuer shall not engage in any business not conducted under the IHOP Brand or as otherwise identified in Section 7.9. To the extent not precluded by Delaware law, neither of the Co-Issuers shall amend its certificate of formation or limited liability company agreement, in either case, without providing a Rating Agency Notification and obtaining consent of the Aggregate Controlling Party.

Section 7.10 Calculation Agent. (a) The Co-Issuers hereby agree that for so long as any of the Notes remain Outstanding there will at all times be an agent appointed to calculate LIBOR or any other specified interest rate in respect of each Interest Accrual Period in accordance with the terms of each Supplemental Indenture relating to any Notes that remain Outstanding (the “Calculation Agent”). The Co-Issuers hereby appoint the Indenture Trustee as Calculation Agent for purposes of determining LIBOR or any other specified interest rate for each Interest Accrual Period and the Indenture Trustee hereby accepts such appointment.

(b) The Calculation Agent may be removed by the Co-Issuers at any time. If the Calculation Agent is unable or unwilling to act as such or is removed by the Co-Issuers, the Co-Issuers shall promptly appoint as a replacement Calculation Agent a leading bank which is engaged in transactions in Dollar deposits in the international Dollar market and which is not an Affiliate of either of the Co-Issuers. The Calculation Agent shall not resign its duties without a successor having been duly appointed.

(c) The Calculation Agent shall be required to agree (and the Indenture Trustee, in its capacity as Calculation Agent, does hereby agree) that, as soon as practicable after

11:00 a.m. (London time) on each Rate Determination Date, but in no event later than 11:00 a.m. (New York time) on the Business Day immediately following each Rate Determination Date, the Calculation Agent shall calculate the Series Interest Rate relating to each Series of Notes for the next Interest Accrual Period and the Series Interest Payment Amount relating to each Series of Notes, each as applicable (in each case rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date, and shall communicate such rates and amounts to the Co-Issuers, the Indenture Trustee, the Insurer, each Paying Agent and, if any Series of Notes is in the form of a Regulation S Global Note, DTC, Euroclear and Clearstream. The Calculation Agent shall also specify to the Co-Issuers and to each Insurer (for so long as it is a Series Controlling Party) the quotations upon which each Series Interest Rate, and in any event the Calculation Agent shall notify the Co-Issuers before 5:00 p.m. (New York time) on each Rate Determination Date if it has not determined the Series Interest Rate, the Series Interest Payment Amount, together with its reasons therefor. The determination of the Series Interest Rate and the Series Interest Payment Amount, as applicable, by the Calculation Agent shall, absent manifest error, be final and binding on all parties.

Section 7.11 Indebtedness. Neither of the Co-Issuers shall incur, nor cause nor permit any of the Securitization Entities to incur or have outstanding any Debt, or assume or guarantee any Debt (excluding incurring or having outstanding any indebtedness arising from any tax liabilities) of any Person other than pursuant to this Indenture, the Notes or the other Transaction Documents.

Section 7.12 Representations and Warranties. Each of the Co-Issuers hereby represents, warrants and agrees as of the date hereof and each date of issuance of any Additional Notes as follows:

(a) each of the Securitization Entities is a limited liability company duly formed and validly existing under the laws of the State of Delaware and has all requisite power and authority to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under this Indenture and any other document or instrument (including the Notes) delivered by the issuer pursuant hereto or in connection herewith;

(b) the execution and delivery of, and the performance of its obligations under, this Indenture and each Transaction Document to which any of the Securitization Entities is a party and the consummation of the transactions provided for in this Indenture and each Transaction Document to which any of the Securitization Entities is a party have been duly authorized by all necessary action;

(c) the execution and delivery of, and the performance of its obligations under, this Indenture and each Transaction Document to which any of the Securitization Entities is a party, the consummation of the transactions contemplated by this Indenture and each Transaction Document to which any of the Securitization Entities is a party, and the fulfillment of the terms hereof and thereof applicable to any of the Securitization Entities, will (A) not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (x) the organizational documents of any of the Securitization Entities or (y) any indenture, contract, agreement, mortgage, deed of trust or other

instrument to which any of the Securitization Entities is a party or by which either it or its assets is bound and (B) not result in or require the creation of any Lien on any of the properties of any of the Securitization Entities, except for Liens permitted under this Indenture (or the Lien of this Indenture);

(d) there are no Proceedings or investigations pending or, to the knowledge of the Co-Issuers, threatened against any of the Securitization Entities, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, (A) questioning the validity of this Indenture or any Transaction Documents to which any of the Securitization Entities is a party to, (B) seeking to prevent the consummation of any of the transactions contemplated by this Indenture or any Transaction Documents to which any of the Securitization Entities is a party, (C) seeking any determination or ruling that would, individually or in the aggregate, materially and adversely affect the performance by any of the Securitization Entities of its obligations under this Indenture or any Transaction Documents to which any of the Securitization Entities is a party, (D) seeking any determination or ruling that would, individually or in the aggregate, materially and adversely affect the validity or enforcement of this Indenture or any Transaction Documents to which any of the Securitization Entities is a party or (E) that is reasonably likely to result in a Material Adverse Effect;

(e) except for (i) filings of Financing Statements and (ii) recordation of intellectual property lien filings, all authorizations, consents, orders and approvals of, notices to filings and recordings and registrations, by any of the Securitization Entities with any court or other governmental authority and all other governmental actions necessary to be taken by any of the Securitization Entities in connection with the execution and delivery of, and the performance of its obligations under, this Indenture and any Transaction Documents to which any of the Securitization Entities is a party and the consummation of the transactions contemplated by this Indenture and any Transaction Documents to which any of the Securitization Entities is a party have been obtained, made or taken, as the case may be, and are in full force and effect;

(f) each of this Indenture and each Transaction Document to which any of the Securitization Entities is a party constitutes a legal, valid and binding obligation of each of the Securitization Entities (as applicable) enforceable against each of the Securitization Entities (as applicable) in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws) and by general principles of equity including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law;

(g) the Issuer and the Co-Issuer (considered collectively) own all of the Collateral, and there are no Liens with respect to, no Liens upon, or any restrictions on the transferability of (other than those restrictions included in the terms of such instruments and set forth on Schedule 7.12(g)), the Collateral other than Permitted Liens and as otherwise as provided in this Indenture;

(h) the Issuer has no subsidiaries other than those listed on Schedule 1;

- (i) the Co-Issuer has no subsidiaries;
- (j) the Co-Issuers are not required in connection with the sale of the Notes to register or qualify the Notes under the Securities Act or, any applicable United States state securities law;
- (k) none of the Securitization Entities has registered, or is required to register, as an “investment company” under the Investment Company Act or is an “investment company” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company”, as such terms are defined in the Investment Company Act;
- (l) the Co-Issuers are not required in connection with the sale of the Notes to qualify this Indenture under the United States Trust Indenture Act of 1939, as amended;
- (m) the Notes satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act;
- (n) the Notes shall be “debt securities” within the meaning of Rule 902 of the Securities Act;
- (o) no Default has occurred and is continuing;
- (p) none of the Securitization Entities is (i) in violation of its organizational documents; (ii) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any agreement to which it is a party or by which it may be bound, except where such default is not reasonably likely to have a Material Adverse Effect; or (iii) in violation of any law, order, rule, regulation, writ, injunction, judgment or decree of any Governmental Authority having jurisdiction over it or over its properties, except where such violation is not reasonably likely to have a Material Adverse Effect;
- (q) none of the Securitization Entities has (i) employees, (ii) outstanding indebtedness for borrowed money other than with respect to the Credit Agreements, as applicable, such other indebtedness as is described in the Offering Circular and (to the extent that this representation is deemed made after the Closing Date) the Notes, and (iii) material liabilities of any kind other than as described in or contemplated by the Offering Circular;
- (r) both before and immediately after giving effect to the transactions contemplated by this Indenture and the other Transaction Documents, each Securitization Entity is solvent within the meaning of the Bankruptcy Code and any applicable state law and no such entity is the subject of any voluntary or involuntary case or proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy or insolvency law, and no Event of Bankruptcy has occurred with respect to any such entity;
- (s) no payments to be made to the Co-Issuers under any of the Franchise Assets will be subject to any value-added tax or other similar tax;
- (t) after giving effect to the Restructuring, as of the Closing Date, neither of the Co-Issuers will have any (i) employees, (ii) outstanding indebtedness for borrowed money

other than the Notes or (iii) material liabilities except where such liabilities are expressly permitted by the Transaction Documents;

(u) other than as set forth in Schedule 7.12(u), there are no legal or governmental proceedings pending to which any of the Securitization Entities or any of its respective properties is the subject which, if determined adversely, would individually or in the aggregate be reasonably likely to have a Material Adverse Effect; and, to the best of the knowledge of each of the Co-Issuers, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(v) after giving effect to the Restructuring, the Co-Issuer and the Issuer, through ownership of the IP Assets or license to use the Licensed IP, respectively, will own and/or have the right to use all Intellectual Property necessary to operate the Restaurant franchise system substantially in the manner as currently conducted.

(w) no events have occurred, and no actions have been taken, at any time prior to the Closing Date that could give rise to any claim or liability of any kind against any of the Securitization Entities or its assets which, if determined adversely, would individually or in the aggregate be reasonably likely to have a Material Adverse Effect.

(x) since the formation of the predecessor to any of the Securitization Entities, such predecessor or Securitization Entity (as applicable) has not engaged in any activities that would have rendered untrue any representation or warranty, or would have violated any covenant or agreement, relating to the separate existence of such predecessor or Securitization Entity (as applicable), set forth in this Indenture, including without limitation Section 7.13(p), had this Indenture been in full force and effect since the formation of the predecessor to any of the Securitization Entities;

(y) true, accurate and complete copies of all documents and information that are material with respect to the business, financial condition or any existing or potential liabilities of any of the Securitization Entities, any predecessor to any of the Securitization Entities or any of their respective Affiliates have been provided to each Insurer;

(z) the Co-Issuers are not aware of any facts pertaining to any of the Securitization Entities, any predecessor to any of the Securitization Entities or any of their respective Affiliates which would be reasonably likely to have a Material Adverse Effect on any of the Securitization Entities, the Notes or the Collateral and which have not been disclosed in the Offering Circular, the Transaction Documents or otherwise disclosed in writing to each Insurer;

(aa) each Insurer has received all information reasonably requested;

(bb) neither a Reportable Event nor an “accumulated funding deficiency” (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the six year period prior to the date on which this representation is made or deemed made or is reasonably expected to occur with respect to any Single Employer Plan, and each Plan (including, to the actual knowledge of the Co-Issuers, a Multiemployer Plan or a multiemployer welfare plan maintained pursuant to a collective bargaining agreement) has complied in all respects with the



applicable provisions of ERISA, the Code and the constituent documents of such Plan, except for instances of non-compliance that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect except as could reasonably be expected to have a Material Adverse Effect. No termination of a Single Employer Plan has occurred during such six-year period or is reasonably expected to occur (other than a termination described in Section 4041(b) of ERISA), and no Lien in favor of the PBGC or a Plan has arisen during such six-year period or is reasonably expected to arise. Except to the extent that any such excess could not reasonably be expected to have a Material Adverse Effect, the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits. Except to the extent that such liability could not reasonably be expected to have a Material Adverse Effect, neither the Co-Issuers nor any Affiliate thereof have had a complete or partial withdrawal from any Multiemployer Plan, and the Co-Issuers would not become subject to any liability under ERISA if a Co-Issuer or any Affiliate thereof were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. To the Actual Knowledge of the Co-Issuers, no such Multiemployer Plan is in Reorganization, insolvent or terminating or is reasonably expected to be in Reorganization, become insolvent or be terminated. Except to the extent that any such excess could not reasonably be expected to have a Material Adverse Effect, the present value (determined using actuarial and other assumptions which are reasonable in respect of the benefits provided and the employees participating) of the liability of the Co-Issuers and each Affiliate thereof for post retirement benefits to be provided to their current and former employees under Plans which are welfare benefit plans (as defined in Section 3(1) of ERISA) other than such liability disclosed in the financial statements of the Co-Issuers does not, in the aggregate, exceed the assets under all such Plans allocable to such benefits. Neither the Co-Issuers nor any Affiliate thereof has engaged in a prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code in connection with any Plan that would subject either Co-Issuer to liability under ERISA and/or Section 4975 of the Code that could reasonably be expected to have a Material Adverse Effect. There is no other circumstance which may give rise to a liability in relation to any Plan that could reasonably be expected to have a Material Adverse Effect;

(cc) each of the Securitization Entities has good and marketable title in its assets, free of any Lien except Permitted Liens or as created by any Transaction Document;

(dd) the representations relating to the Franchise Assets in the Asset Sale Agreements are true and correct;

(ee) other than exceptions to any of the following that could not, individually or in the aggregate, reasonably be expected to result in the payment of a Material Environmental Amount:

(A) The Securitization Entities: (i) are, and within the period of all applicable statutes of limitation have been, in compliance with all applicable Environmental Laws, (ii) hold all Environmental Permits (each of which is in full force and effect) required for any of their current or intended operations or for any property owned, leased, or otherwise operated by any of them and (iii) are, and

within the period of all applicable statutes of limitation have been, in compliance with all of their Environmental Permits.

(B) Materials of Environmental Concern are not present at, on, under, in, or about any Owned Real Property or Leased Property now or formerly owned, leased or operated by any Securitization Entity or any of its Affiliates, or at any other location (including, without limitation, any location to which Materials of Environmental Concern have been sent for re-use or recycling or for treatment, storage or disposal) which could be expected to (i) give rise to liability of any Securitization Entity or any of its Affiliates under any applicable Environmental Law or otherwise result in costs to any Securitization Entity or any of its Affiliates, (ii) interfere with any Securitization Entity's or any of its Affiliates' continued operations or (iii) impair the fair saleable value of any real property owned or leased by any Securitization Entity or any of its Affiliates.

(C) There is no judicial, administrative, or arbitral proceeding (including, without limitation, any notice of violation or alleged violation) under or relating to any Environmental Law to which any Securitization Entity or any of its Affiliates is, or to the knowledge of the Securitization Entities will be, named as a party that is pending or, to the knowledge of the Securitization Entities, threatened.

(D) Neither any Securitization Entity nor any of its Affiliates has received any written request for information, or been notified that it is a potentially responsible party under or relating to the federal Comprehensive Environmental Response, Compensation and Liability Act, as amended, or any other Environmental Law, or with respect to any Materials of Environmental Concern.

(E) Neither any Securitization Entity nor any of its Affiliates has entered into or agreed to any consent decree, order, or settlement or other agreement, or is subject to any judgment, decree, or order or other agreement, in any judicial, administrative, arbitral, or other forum for dispute resolution, relating to compliance with or liability under any Environmental Law.

(F) Neither any Securitization Entity nor any of its Affiliates has assumed or retained, by contract, conduct or operation of law, any liabilities or obligations of any kind, fixed or contingent, known or unknown, under any Environmental Law or with respect to any Materials of Environmental Concern.

(ff) at the Closing Date, except for the licensed Software set forth on Schedule 3 and other types of Intellectual Property which are not material to the conduct of the Co-Issuer's business, there is no third party Intellectual Property which is non-assignable.

Section 7.13 Affirmative Covenants. So long as any of the Notes remain Outstanding and the term of any Insurance Policy shall not have expired, each of the Co-Issuers shall:

- (a) do or cause to be done all things necessary to enable it to comply with all applicable legal and accounting rules and regulations, including submitting or causing to be submitted financial and other information to state and federal regulatory authorities as required under the applicable franchising laws and regulations;
- (b) keep proper books of account and records, appoint independent public accountants (reasonably acceptable to each Insurer (for so long as such Insurer is a Series Controlling Party)) to audit the books of account and financial statements of each of the Securitization Entities; and to prepare in accordance with GAAP and deliver annual audited balance sheets, profit and loss statements and retained earnings statements of the Co-Issuers as provided for in Section 12.1(e) (and a copy of each such audited financial statement shall be provided to each of the Indenture Trustee, each Insurer, Moody's and S&P's), and allow the Indenture Trustee, each Insurer, the Back-Up Servicer and any Person appointed by any of them, access to the books of account and records of each of the Securitization Entities at all reasonable times upon reasonable notice during normal business hours, and permit the Indenture Trustee, each Insurer and any Person appointed by any of them to discuss the affairs, finances and accounts of each of the Securitization Entities with any of its officers, directors and other representatives to discuss the affairs, finances and accounts of each of the Securitization Entities with the Co-Issuers' independent public accountants and to inspect the Collateral, all records related thereto (and to make extracts and copies thereof) (such rights of such Insurer to continue for so long as such Insurer is a Series Controlling Party);
- (c) give notice in writing to the Indenture Trustee, the Servicer and each Insurer within three (3) Business Days following the date on which it becomes aware of the occurrence of any circumstances that might reasonably be expected to constitute an Event of Default or Default or Material Adverse Effect, and such notice shall contain a description of the facts, circumstances or events that might reasonably be expected to constitute such Event of Default or Default, and shall specify the action, if any, Co-Issuers is taking with respect to such Event of Default or Default, *provided* that in connection with such notice, the Co-Issuers may disclaim in good faith any admission that such circumstance does constitute an Event of Default or Default;
- (d) so far as permitted by law, at all times give to the Indenture Trustee and the Back-Up Servicer such information as it shall reasonably require for the purpose of the discharge of the duties, powers, trusts, authorities and discretions vested in it by this Indenture or in the Back-Up Servicer Agreement or to the Rating Agencies such information as such Rating Agencies may reasonably request, as applicable;
- (e) take all reasonable actions necessary so as to be exempt from registration under the Investment Company Act;
- (f) maintain such insurance that in its business judgment is appropriate and is customary for business operations of the type conducted by the Co-Issuers;
- (g) take all reasonable actions necessary so as to exempt from registration the Notes and the sale thereof under the Securities Act, or under any applicable securities laws;

(h) take all reasonable action to maintain all licenses, permits, charters and registrations which are material to the conduct of its business;

(i) deliver to the Indenture Trustee and, so long as any Notes are Outstanding or any amount is owing to any Insurer or the Insurance Policy has not been cancelled or returned, each Insurer (so long as such Insurer is a Series Controlling Party), if any, (x) quarterly and (y) within 10 days after any reasonable request by the Indenture Trustee or any Insurer, an Officer's Certificate of each of the Co-Issuers to the effect that, having made all reasonable inquiries, to the best of the knowledge, information and belief of the Co-Issuers there did not exist, as of the date of the certificate nor had there existed at any time prior thereto since the date hereof or the date of the last such certificate (if any), any Event of Default or any Default or, if such an Event of Default or Default did then exist or had existed, specifying the same;

(j) deliver to the Indenture Trustee and each Insurer as soon as practicable prior to the date of delivery, a copy of the form of each Officer's Certificate or notice to be delivered to the Holders of the Notes (such notice to be in a form approved by the Indenture Trustee and (if such Insurer is then the Series Controlling Party relating to a Series of Notes) each Insurer (which approval shall not be unreasonably withheld, conditioned or delayed));

(k) timely file all income tax returns of any jurisdiction which are required to be filed and timely pay all taxes, if and to the extent such taxes become due; *provided, however*, the Co-Issuers shall not be required to pay or discharge or cause to be paid or discharged any such taxes whose amount, applicability or validity is being contested in good faith by appropriate proceedings so long as (i) there shall be no material risk of forfeiture of property in the Collateral and (ii) the Co-Issuers maintain adequate reserves for the payment of contested taxes;

(l) in addition to any other notices, certificates or information provided pursuant to this Indenture, promptly inform the Indenture Trustee and, so long as any Notes are Outstanding, each Insurer (so long as such Insurer is a Series Controlling Party), in writing of the following:

(i) the commencement of any rulemaking or disciplinary Proceeding or the promulgation of any proposed or final rule (other than a rule or proceeding which has general applicability to Persons including the Co-Issuers) which could reasonably be expected to have a Material Adverse Effect;

(ii) the commencement of any Proceedings by or against any of the Securitization Entities in any court of competent jurisdiction or before any governmental body or agency, or before any arbitration board, or the threat of any such proceedings, which might reasonably be expected to have a Material Adverse Effect on the Securitization Entities (considered collectively) or on the ability of any of the Securitization Entities to perform its obligations under any provision of the Transaction Documents to which it is a party or on the Co-Issuers' ability to comply with the Notes or otherwise have a Material Adverse Effect; and

(iii) the receipt of notice from any Governmental Authority having authority over the conduct of the business of any Securitization

Entity that (A) any Securitization Entity is being placed under regulatory supervision, (B) any license, permit, charter, membership or registration relating to the conduct of the business of any Securitization Entity is to be suspended or revoked, and such suspension or revocation could reasonably be expected to have a Material Adverse Effect or (C) any Securitization Entity is to cease and desist any practice, procedure or policy employed by the Securitization Entity in the conduct of its business, and such cessation could reasonably be expected to have a Material Adverse Effect;

(m) maintain corporate records and books of account separate from any Person;

(n) so long as any Notes are Outstanding, deliver to each Rating Agency by which the Notes are for the time being rated such information as such Rating Agency may reasonably request (including any such information which is material in maintaining its surveillance of the transactions contemplated by the Transaction Documents);

(o) generally pay its debts as they become due;

(p) (A) act and conduct its business solely in its own name through the Servicer or through other agents selected in accordance with the Issuer Limited Liability Company Agreement or the Co-Issuer Limited Liability Company Agreement (as applicable), including, without limitation, its Officers;

(B) maintain separately its funds and assets from those of any Affiliates of either of them, and such funds and assets shall not be commingled with the funds and assets of any other Person;

(C) maintain complete and correct books and records of account and minutes of the proceedings of the Issuer or the Co-Issuer (as appropriate), separate from the books and records of any other Person or entity;

(D) use its own stationery, invoices, checks and other business forms and not those of any Affiliate, and shall not have the appearance (x) of conducting business on behalf of any Affiliate or (y) that its assets are available to pay the creditors of any Affiliate (other than as contemplated in this Indenture);

(E) except as otherwise specified in the LLC Operating Agreement, pay all of its liabilities out of its own funds;

(F) not hold itself out as being liable for the debts of any Affiliate (other than as contemplated in this Indenture);

(G) not engage in any transaction with any Affiliate, except as contemplated by the Servicing Agreement, and otherwise as required, or specifically permitted by this Indenture or the Transaction Documents; *provided, however*, that any such transaction must be commercially reasonable on terms similar to those available in an arm's length transaction;

(H) not incur any debt other than as contemplated by the Issuer Limited Liability Company Agreement or the Co-Issuer Limited Liability Company Agreement (as applicable) or this Indenture;

(I) maintain separate financial statements showing its assets and liabilities separate and apart from those of any other Person;

(J) not guarantee or become obligated for the debts of any other Person or hold out its credit as being available to satisfy the obligations of others;

(K) allocate fairly and reasonably any overhead expenses that are shared with Affiliates, including the payments for office space;

(L) hold itself out as a separate entity, correct any known misunderstandings regarding its separate identity, and not identify itself as a division of any other Person;

(M) maintain adequate capital in light of its contemplated business operations;

(N) while any amounts under this Indenture remain outstanding, not dissolve, liquidate, merge, consolidate or sell substantially all of its assets, except as permitted hereunder;

(O) maintain bank accounts separate from those of any other Person and not permit any Affiliate independent access to such bank accounts;

(P) not acquire obligations or securities of any Affiliate other than as contemplated by the Transaction Documents;

(Q) observe all Delaware limited liability company formalities;

(R) not pledge its assets for the benefit of any other Person or make loans or advances to any Person other than as contemplated by the Transaction Documents or this Indenture;

(S) cause its board of managers and its agents, including the Servicer, to act at all times with respect to the Issuer consistently with, and in furtherance of the foregoing and in the best interests of the Issuer (subject, with respect to the Servicer, to its rights under the terms of the Servicing Agreement); and

(T) take, or refrain from taking, as the case may be, all other actions that are necessary to be taken or not to be taken in order (a) to ensure that the assumptions and factual recitations set forth in the opinion delivered pursuant to Section 3.1(b) hereof remain true and correct in all material respects with respect to it (and, to the extent within its control, to ensure that the assumptions and factual recitations set forth in such opinion remain true and correct with respect to

Affiliate of the Co-Issuers) and (b) to comply in all material respects with those procedures described in such opinion that are applicable to it;

(q) comply with all directions of a Series Controlling Party or the Aggregate Controlling Party properly given in accordance with the terms of this Indenture;

(r) if requested, to use its best efforts to permit any Series of Notes to be designated PORTAL securities in accordance with the rules and regulations adopted by the National Association of Securities Dealers, Inc. relating to trading in the PORTAL market;

(s) permit compliance with Rule 144A under the Securities Act in connection with the sale of the Notes, and furnish upon request of a holder of a Note to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Co-Issuers are not a reporting company under Section 13 or Section 15(d) of the Exchange Act;

(t) perform its obligations under each Transaction Document in all material respects and enforce the obligations of the Securitization Entities under and pursuant to the Transaction Documents;

(u) upon a redemption or other payment of all of the Notes and the expiration of the term of each Insurance Policy, surrender such Insurance Policy for cancellation to the Insurer relating to such Insurance Policy;

(v) as of the Closing Date, the Issuer will be duly qualified under applicable law in each jurisdiction in which it carries on the Business to act as a franchisor with respect to the Franchise Assets. As of each New Asset Addition Date, the Issuer will be duly qualified under applicable law in each jurisdiction in which it carries on the Business to act as a franchisor with respect to the New Assets;

(w) subject to Section 7.8(a)(xvi), in the case of the Co-Issuer, maintain ownership of the IP Assets and, in the case of the Issuer, maintain the right to use the Licensed IP, subject to and in accordance with the IP License Agreement;

(x) solely with respect to the Issuer, cause each of its Subsidiaries to dividend to the Issuer (not less frequently than monthly) any funds in excess of its obligations under any Transaction Document subject to any applicable law; and

(y) that with respect to licenses of third party Intellectual Property entered into after the Closing Date, the Issuer and the Co-Issuer (including, for the avoidance of doubt, the Servicer on behalf of the Issuer and the Co-Issuer, as applicable) shall use commercially reasonable efforts to include terms permitting the grant of a security interest therein to the Indenture Trustee for the benefit of the Secured Parties and to allow the Successor Servicer the right to use such Intellectual Property in the performance of Services under the Back-Up Servicing Agreement.

Section 7.14 Further Assurances. (a) The Co-Issuers or the Indenture Trustee at the direction of the Co-Issuers, shall execute and deliver, or cause to be executed and delivered,

all such additional instruments, and do, or cause to be done, all such additional acts as (i) may be necessary or proper, consistent with the Granting Clauses, to carry out the purposes of this Indenture and to make subject to the Lien hereof any property intended so to be subject, including in the event of any change in applicable law or regulations, (ii) may be necessary or proper to transfer to any successor Indenture Trustee the estate, powers, instruments and funds held in trust hereunder and to confirm the Lien of this Indenture, or (iii) the Indenture Trustee or, for so long as any Notes are Outstanding, any amount is owed to any Insurer or the applicable Insurance Policy has not been cancelled or returned, an Insurer, may reasonably request. In addition, the Co-Issuers shall (at the direction or with the consent of the Aggregate Controlling Party), take all actions, and shall direct the Indenture Trustee in writing to take all actions as shall be specified to the Co-Issuers, necessary to preserve and protect the security interest in the Collateral created hereunder, free of any Liens, including but not limited to the removal and transfer of any such Collateral from any existing location or jurisdiction to another location or jurisdiction so as to prevent the impairment of the security interest in such Collateral created by this Indenture.

(b) All oral and written communications made by the Co-Issuers or by any Person on behalf of the Co-Issuers, including, without limitation, letters, invoices, purchase orders, contracts, statements, loan applications, and all notices, certificates or information required to be delivered or communicated pursuant to this Indenture, shall be made or delivered by the Co-Issuers or by any such Person on behalf of the Co-Issuers.

(c) The Indenture Trustee shall cooperate in all respects with any reasonable written request by the Co-Issuers to preserve or enforce the Co-Issuers' rights and interests under this Indenture or any other Transaction Documents.

Section 7.15 Financial Covenants. (a) If funds on deposit in the Series Interest Reserve Account relating to any Series of Notes are less than the Series Interest Reserve Account Required Amount relating to such Series of Notes, then all investment income earned on funds on deposit in the Series Interest Reserve Account relating to such Series of Notes shall be retained in such account until the funds in such account are equal to or greater than the Series Interest Reserve Account Required Amount. If funds on deposit in the Series Interest Reserve Account relating to any Series of Notes are greater than or equal to the applicable Series Interest Reserve Account Required Amount, then all investment income earned on such funds, shall, except as otherwise required under this Indenture, be released to the Collections Account.

(b) So long as any Notes are Outstanding, the Issuer shall maintain a (i) Franchise Royalty Rate of not less than 4.5% and (ii) License Royalty Rate of not less than 1.0% for all New Franchise Documents (other than Non-Conforming New Franchise Documents) entered into on and after the Closing Date.

Section 7.16 Security Interest Representations, Warranties and Covenants of the Co-Issuers. (a) This Indenture creates a valid and continuing security interest (as defined in the applicable UCC) in the Collateral in favor of the Indenture Trustee for the benefit of the Secured Parties, which security interest is prior to all other Liens except Permitted Liens, and is enforceable as such as against creditors of and purchasers from the Co-Issuers.



(b) Except as set forth in Schedule 7.16 hereto, the Issuer owns and has good and marketable title to the Issuer Assets included in the Collateral free and clear of any Lien except Permitted Liens.

(c) Except as set forth in Schedule 7.16 hereto, the Co-Issuer owns and has good and marketable title to the IP Assets and, to the extent owned by Co-Issuer, the other Collateral, other than any Issuer Assets, free and clear of any Lien except Permitted Liens.

(d) Each of the Co-Issuers shall, within ten (10) days of the Closing Date, file all appropriate Financing Statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Collateral perfectible under the U.C.C. and/or U.S. Federal law or other applicable law and Granted to the Indenture Trustee hereunder and deliver copies of such Financing Statement to the Indenture Trustee and each Insurer if the Indenture Trustee or such Insurer requests.

(e) Other than the security interests granted to the Indenture Trustee pursuant to this Indenture and Permitted Liens, neither of the Co-Issuers has pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral. Neither of the Co-Issuers has authorized the filing of nor is aware of any Financing Statements against either of the Co-Issuers that include a description of collateral covering any Collateral other than any Financing Statement relating to the security interest granted to the Indenture Trustee hereunder or that has been terminated. Neither of the Co-Issuers is aware of any judgment, Pension Benefit Guaranty Corporation or tax Lien filings against either of the Co-Issuers.

(f) None of the “instruments” (as defined in the applicable UCC) that constitute or evidence the Collateral has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Indenture Trustee.

(g) Each of the Co-Issuers has received all applicable consents and approvals required by the terms of the Collateral to transfer to the Indenture Trustee its interest and rights in the Collateral hereunder.

(h) The Indenture Trust Accounts are not in the name of any Person other than the Indenture Trustee. The Issuer has not consented to the securities intermediary of any of the Indenture Trust Accounts to comply with entitlement orders or other instructions of any Person other than the Indenture Trustee.

(i) All of the Collateral consisting of “security entitlements” (within the meaning of the applicable UCC) has been credited to the Indenture Trust Accounts. The Indenture Trustee, as securities intermediary for each of the Indenture Trust Accounts agrees to treat all assets credited to each of the Indenture Trust Accounts as “financial assets” (within the meaning of the applicable UCC).

(j) If the securities intermediary for any of the Indenture Trust Accounts is, at any time, a Person other than the Indenture Trustee, the Co-Issuers shall promptly deliver to the Indenture Trustee a fully executed agreement pursuant to which such securities intermediary agrees to comply with all instructions originated by the Indenture Trustee relating to the Indenture Trust Accounts (as applicable) without further consent by the Co-Issuers.

- (k) Each of the Indenture Trust Accounts is a “securities account” (within the meaning of the applicable UCC).
- (l) Other than the Indenture Trust Accounts, the Collateral consists of (i) mortgage notes, promissory notes or other writings constituting “instruments” (within the meaning of the applicable UCC), (ii) “accounts” (within the meaning of the applicable UCC), (iii) “general intangibles” (within the meaning of the applicable UCC) or (iv) chattel property (within the meaning of the applicable UCC).
- (m) Each of the foregoing representations shall, as applicable, be deemed repeated each time new assets become part of the Collateral.
- (n) The security interest of the Indenture Trustee in the Collateral shall, until payment in full of the indebtedness secured hereunder and termination of this Indenture, be a first-priority as to any other Liens, subject to Permitted Liens, perfected security interest upon the taking of actions set forth in subsection (d) above and any IP Lien Filings necessary with respect to after-acquired IP Assets and subject to the rights of Co-Issuers to dispose of Collateral hereunder.
- (o) The foregoing representations shall survive termination of this Indenture.

**ARTICLE VIII**

**SUPPLEMENTAL INDENTURES**

Section 8.1 Supplemental Indentures without Consent of Noteholders. (a) The Co-Issuers, and the Indenture Trustee, without the consent of the Noteholders at any time and from time to time, may, if the Rating Agency Condition has been satisfied (except that ratings confirmation need not be requested for any amendments that could not reasonably be deemed to be disadvantageous to any Noteholder) and with the consent of the Insurer (so long as such Insurer is a Series Controlling Party) of each Series of Notes affected thereby enter into one or more indentures supplemental hereto, in form satisfactory to the Indenture Trustee:

- (i) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subject to the Lien of this Indenture (including, without limitation, in order to obtain a security interest thereto in a manner consistent with Section 7.16), or to subject to the Lien of this Indenture additional property;
- (ii) to evidence the succession of another Person to either of the Co-Issuers, and the assumption by any such successor of the covenants contained herein and in the Notes;
- (iii) to add to the covenants of either of the Co-Issuers, in each case only to the extent not adverse to the interests of any Noteholder or each Insurer, or to surrender any right or power herein conferred upon either of the Co-Issuers;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Indenture Trustee for the benefit of Secured Parties or add to the conditions, limitations or restrictions on the authorized amount, terms and purposes of the issue, authentication and delivery of Notes;

(v) to evidence and provide for the acceptance of appointment hereunder by a successor Indenture Trustee and to add to or change any of the provisions as shall be necessary to facilitate the administration of the trusts hereunder by more than one Indenture Trustee, pursuant to the requirements of Section 6.11 hereof;

(vi) correct any manifest error or to cure any ambiguity or to correct or supplement any provisions herein or in any supplemental indenture which may be inconsistent with any other provision herein or in any Series Supplement, supplemental indenture or any offering memorandum pursuant to which any Notes have been issued;

(vii) to facilitate the transfer of Notes in accordance with applicable law (as evidenced by an Opinion of Counsel), which may include providing for the maintenance of a book-entry trading system;

(viii) to take any action necessary and appropriate to facilitate the originations of New Franchise Agreements, the servicing of Franchise Assets and the preservation and maintenance of the Licensed IP and the other Franchise Assets, in each case, as determined in accordance with the Servicing Standard;

(ix) take any action necessary or advisable to effectuate any lockbox arrangements entered into by the Issuer;

(x) to establish the form or terms of the Notes of any Series of Notes pursuant to a Series Supplement in accordance with the provisions of Section 2.3 (which shall not require the consent of the Aggregate Controlling Party or any Series Controlling Party unless specified in such Section 2.3); or

(xi) to take any action necessary or helpful to avoid the imposition, under and in accordance with applicable law, of any Tax including withholding tax.

(b) The Indenture Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Indenture Trustee shall not be obligated to enter into any such supplemental indenture that materially adversely affects the Indenture Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise except to the extent required by law.

(c) Copies of any supplemental indenture entered into in accordance with this Section 8.1 shall be available upon request by any Noteholder or Insurer duly given to the Indenture Trustee. No supplemental indenture shall be amended or modified without the written consent of the Indenture Trustee, the Co-Issuers and any Insurer that is a party thereto.

Section 8.2      Consents to Supplemental Indentures. (a) The Co-Issuers (with the written consent of each Series Controlling Party) and the Indenture Trustee (at the written direction of the Co-Issuers) may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Noteholders under this Indenture; *provided, however*, that any such supplemental indenture for which approval of Noteholders has not been obtained as provided in this Section 8.2(a) may be entered into only with the written confirmation by each Rating Agency that such action would not have an adverse effect upon the ratings of any Notes (without giving effect to any Insurance Policy); *provided, further*, that no supplemental indenture shall be entered into without the written consent of each Insurer (nor shall waivers of any similar matters be effective without the written consent of each Insurer) and, other than in the case of clause (xi) below, all the Holders of Outstanding Notes affected thereby (in which event such confirmation from the Rating Agencies shall not be required) that would do any of the following:

- (i) change the Series Legal Final Maturity Date, or the due date of any installment of principal of or interest on, any Series Note, or change the principal amount thereof or the Series Note Interest Rate thereon, change the provisions of Section 15.1 or change any place where, or the coin or currency in which, any Note or the interest thereon is payable, or the date or manner of payment, or impair the right to institute suit for the enforcement of any such payment on or after the Series Legal Final Maturity Date thereof (or, in the case of the termination of the obligations of the Co-Issuers hereunder, on or after the date on which the obligations of the Co-Issuers hereunder are terminated pursuant to Section 4.1 of this Indenture);
- (ii) reduce the percentage in the Aggregate Outstanding Principal Amount of the Notes, the consent of the Noteholders of which is required for the execution of any such supplemental indenture, or the consent of the Noteholders of which is required for any waiver of compliance with any provisions of this Indenture or any Defaults hereunder and their consequences provided for in this Indenture;
- (iii) impair or adversely affect the Trust Estate except as otherwise permitted herein;
- (iv) permit the creation of any Lien ranking prior to or on a parity with the Lien of this Indenture with respect to any part of the Trust Estate or terminate the Lien of this Indenture on any property at any time subject hereto or deprive any Noteholder of the security afforded by the Lien of this Indenture except as otherwise permitted herein;
- (v) reduce the percentage of the aggregate Outstanding Principal Amount of the Notes, the consent of the Noteholders of which is required to request that the Indenture Trustee preserve the Trust Estate or to rescind the Indenture Trustee's election to preserve the Trust Estate pursuant to Section 5.3 hereof or to sell or liquidate the Trust Estate pursuant to Section 5.3 hereof;
- (vi) modify any of the provisions of this Section 8.2, except to increase the percentage of the Aggregate Outstanding Principal Amount of the Notes the consent of

the Holders of which is required for any supplemental indenture or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Noteholder of each Outstanding Note affected thereby;

(vii) modify the definition of the term “Outstanding”;

(viii) release any Insurer from all or any part of its obligation to make each and every payment under the applicable Insurance Policy, if any;

(ix) modify any of the provisions of this Indenture in such a manner as to affect the calculation of the amount of any payment of interest or principal on any Payment Date (including the calculation of any of the individual components of such calculation) or to reduce the amount payable upon the redemption of such Notes or change the time at which any Note may be redeemed;

(x) adversely affect the tax treatment of the Issuer or the tax consequences to the Holders of any Class of Notes as described in the Offering Memorandum under the heading “Certain U.S. Federal Income Tax Considerations” to any material extent or otherwise cause any of the statements described in the Offering Memorandum under the heading “Certain U.S. Federal Income Tax Considerations” to be inaccurate or incorrect to any material extent or;

(xi) (A) modify the premium or other compensation payable to such Insurer or the calculation of any right to reimbursement or other payment or interest accrued thereon, or the timing or priority of payment of such premium or other compensation, reimbursement or payment, (B) increase or may increase the amounts payable at a priority ahead of payments on the Notes having the benefit of the Insurance Policy or amounts reimbursable or payable to such Insurer, (C) has or may have the effect of increasing or accelerating the Insurer’s payment obligations under the Insurance Policy or otherwise materially and adversely affecting the rights, interests or obligations of the Insurer under this Indenture or the other Transaction Documents, or (D) modify provisions of the Indenture or related Indenture Supplement or other Transaction Documents relating to the Insurer’s subrogation or other rights or any requirements that the consent of the Insurer be obtained.

(b) With respect to any supplemental indenture entered into in accordance with this Section 8.2, it shall not be necessary for Noteholders to approve the particular form of any proposed supplemental indenture, only the substance thereof.

**Section 8.3 Execution of Supplemental Indentures.** In executing or accepting the additional trusts created by any supplemental indenture permitted by this Article VIII or the modifications thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and (subject to Section 6.3 hereof) shall be fully protected in relying conclusively upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and that such supplemental indenture is the legal, valid and binding obligation of each of the Co-Issuers enforceable against each of the Co-Issuers in accordance with its terms (subject to customary exceptions). The Indenture Trustee

may, but shall not be obligated to, enter into any such supplemental indenture that materially adversely affects the Indenture Trustee’s own rights, duties or immunities under this Indenture or otherwise.

Section 8.4            Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article VIII, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes, and every Outstanding Note theretofore and thereafter authenticated and delivered hereunder shall be bound thereby.

Section 8.5            Reference in Notes to Supplemental Indenture. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article VIII may, and if required by the Indenture Trustee shall, bear a notation in form satisfactory to the Indenture Trustee as to any matter provided for in such supplemental indenture. If the Co-Issuers shall so determine, new Notes, so modified as to conform in the opinion of the Indenture Trustee and the Co-Issuers to any such supplemental indenture, may be prepared and executed by the Co-Issuers and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Notes.

**ARTICLE IX**

**REDEMPTION OF NOTES**

Section 9.1            Mandatory Redemption. The Notes of any Series of Notes shall be subject to mandatory redemption on any Payment Date (the “Mandatory Redemption Date”) (i) if, as of the immediately preceding Accounting Date (the “Mandatory Redemption Determination Date”), the Series Debt Service Coverage Ratio for such Series of Notes is less than the applicable Series Minimum Debt Service Ratio (a “Series DSCR Mandatory Redemption Event”) or (ii) upon the occurrence of a Servicer Termination Event (each, a “Mandatory Redemption Event”). Upon the occurrence of a Mandatory Redemption Event, and until (a) the relevant Series of Notes and all other amounts owing in connection therewith are paid in full, (b) in the case of a Series DSCR Mandatory Redemption Event, such Mandatory Redemption Event is cured as provided below, or (c) in the case of a Servicer Termination Event, as to any Series of Notes, the Series Controlling Party thereof has consented to the cessation of such Mandatory Redemption Event upon the Aggregate Controlling Party’s consent to the cessation of such Servicer Termination Event (such period, the “Mandatory Redemption Period”), the Indenture Trustee shall apply on the immediately following Payment Date and all future Payment Dates all amounts allocated to the Series Principal Payment Account pursuant to Section 10.9 hereof since the immediately preceding Payment Date and all amounts on deposit in Series Trigger Reserve Account for such Series of Notes to the redemption of Outstanding Notes (without payment of any make-whole amount) (the “Mandatory Redemption Amount”). However, except as otherwise provided in the applicable Series Supplement, a Series DSCR Mandatory Redemption Event shall be cured and the Mandatory Redemption Period for the applicable Series of Notes will cease if the Series Debt Service Coverage Ratio is greater than or equal to the applicable Series Minimum Debt Service Coverage Ratio for any three consecutive Accounting Dates following the Mandatory Redemption Date; *provided* that a Series DSCR Mandatory Redemption Event may be so cured only once with respect to any particular Series of Notes.

Section 9.2      Optional Redemption by Co-Issuers; Conditions Precedent to Optional Redemption; Election to Redeem. (a) Except as otherwise provided in the Series Supplement, the Series Notes of any Series of Notes shall be subject to redemption, in whole or in part, at the option of the Co-Issuers on any Payment Date at the Optional Redemption Amount; *provided, however*, that any partial redemption of any Series of Notes that would result in the Insurer for such Series, if any, ceasing to be the Aggregate Controlling Party shall occur only upon the existence of a valid business purpose, which shall be set forth in reasonable detail in an officer's certificate of the Co-Issuers to be delivered to such Insurer, unless such Insurer shall have otherwise consented in writing. It is a further condition precedent to the Co-Issuers' exercise of an Optional Redemption that the Co-Issuers have on deposit in the Series Principal Payment Accounts relating to the relevant Series of Notes, on the Accounting Date immediately preceding the scheduled redemption date, in the aggregate, an amount not less than the Optional Redemption Amount.

(b)      Installments of interest and principal due on or prior to a Mandatory Redemption Date or an Optional Redemption Date shall continue to be payable to the Holders of such Notes according to their terms. The election of the Co-Issuers to redeem any Notes pursuant to this Section 9.2 shall be evidenced by a Company Order from the Servicer directing the Indenture Trustee to make payment of the Optional Redemption Amount from funds in the Principal Payment Account relating to each relevant Series of Notes with respect to which Notes shall be redeemed. The Notes shall be redeemed on a *pro rata* basis, in order of priority among each affected Series of Notes and within such Series of Notes ratably, based on the portion of the Aggregate Outstanding Principal Amount of the Series of Notes in which each Noteholder has an interest. The Co-Issuers shall fix the Optional Redemption Date and give notice thereof to the Indenture Trustee and the Insurer pursuant to Section 9.3 hereof.

(c)      Funds contributed to the Co-Issuers may be used for the purpose of effecting an Optional Redemption hereunder in accordance with this ARTICLE IX. Outside funds contributed to the Issuer to effect an Optional Redemption (the "Contributed Optional Redemption Amount Funds") shall be directly deposited to the Principal Payment Account of the relevant Series of Notes for application to the Optional Redemption Amount in connection with an Optional Redemption of such Series. Contributed Optional Redemption Amount Funds shall be used only for the purpose of redeeming Notes pursuant to an Optional Redemption and not for any other purpose. Any Contributed Optional Redemption Amount Funds shall not constitute Collections or Adjusted Collections for any purpose, and shall be disregarded for purposes of all tests and measurements in the Transaction Documents except in determining whether there is a sufficient amount of funds on deposit in the relevant account to meet or exceed the Optional Redemption Amount.

Section 9.3      Notice to Indenture Trustee and Affected Insurers of Optional Redemption. In the event of any Optional Redemption pursuant to Section 9.2, the Co-Issuers shall, at least 30 days prior to the proposed Optional Redemption Date but no more than 60 days prior to such date (unless the Indenture Trustee shall agree to a shorter notice period), notify the Indenture Trustee, each Insurer relating to the Series Notes proposed to be redeemed and the Servicer in writing of such Optional Redemption Date, the Aggregate Outstanding Principal Amount to be redeemed on such Optional Redemption Date and the Optional Redemption

Amount of such Aggregate Outstanding Principal Amount and as further specified in Section 9.4 hereof and in accordance with Section 15.3 hereof.

Section 9.4      Notice of Optional Redemption or Maturity by the Co-Issuers. (a) Upon receipt of notice pursuant to Section 9.3, notice of such redemption of the Notes shall be given by the Indenture Trustee to the Rating Agencies and the relevant Noteholders not more than thirty (30) nor fewer than ten (10) days prior to the scheduled Optional Redemption Date.

(b)      All notices of Optional Redemption shall state:

- (1)      the CUSIP number, Common Code or ISIN, as applicable, of the Notes to be redeemed and that the Notes shall be redeemed on a *pro rata* basis, based on the Aggregate Outstanding Principal Amount;
- (2)      the Optional Redemption Date;
- (3)      the Optional Redemption Amount;
- (4)      in the case of an Optional Redemption in whole, that all the Notes are being paid in full and that interest on such Notes shall cease to accrue on the date specified in the notice, or, in the case of a redemption in part, the amount of principal of each Note that will be repaid and that interest on such amount of principal shall cease to accrue on the date specified in the notice;
- (5)      in the case of an Optional Redemption in whole, the place or places where such Notes to be redeemed in whole are to be surrendered for payment of the Optional Redemption Amount which shall be the office or agency of the Co-Issuers to be maintained as provided in Section 7.2; and
- (6)      that the Optional Redemption is subject to the satisfaction of certain conditions set forth in this Indenture.

(c)      The Co-Issuers shall have the option to withdraw the notice of Optional Redemption up to the fifth Business Day prior to the scheduled Optional Redemption Date by written notice to the Indenture Trustee, each Insurer relating to the Series Notes proposed for redemption and the Servicer.

(d)      Notice of redemption shall be given by the Co-Issuers or, at the Co-Issuers' request, by the Indenture Trustee in the name and at the expense of the Co-Issuers. Failure to give notice of redemption, or any defect therein, to any Holder of any Note shall not impair or affect the validity of the redemption of any other Notes.

Section 9.5      Notes Payable on Optional Redemption Date. (a) Notice of redemption having been given as aforesaid, the Notes to be redeemed pursuant to an Optional Redemption shall, on the Optional Redemption Date, become due and payable at the Optional Redemption Amount therein specified, and from and after the Optional Redemption Date (unless



the Co-Issuers shall default in the payment of the Optional Redemption Amount and accrued interest) such Notes shall cease to bear interest. Upon final payment on a Note to be redeemed in full, the Holder shall present and surrender such Note at the place specified in the notice of redemption on or prior to such Optional Redemption Date; *provided, however*, that if there is delivered to the Co-Issuers, each Insurer relating to a Series of Notes pertaining to which Notes will be redeemed, if any, and the Indenture Trustee such security or indemnity as may be required by them to save each of them harmless and an undertaking thereafter to surrender such Note, then, in the absence of notice to the Co-Issuers, each Insurer relating to a Series of Notes pertaining to which Notes will be redeemed or the Indenture Trustee that the applicable Note has been acquired by a *bona fide* purchaser, such final payment shall be made without presentation or surrender. Payments of interest on Notes so to be redeemed shall be payable to the Holders of such Notes, or one or more predecessor Notes, according to the terms and provisions of Section 7.1 hereof.

(b) If any Note called for redemption shall not be paid upon surrender thereof for redemption, the principal thereof shall, until paid, bear interest from the Optional Redemption Date at the Note Interest Rate for each successive Interest Accrual Period the Note remains Outstanding.

(c) Upon the partial redemption of any Notes and the surrender thereof, the Co-Issuers shall to the extent necessary issue, and the Authenticating Agent shall authenticate, new Notes equal to the Aggregate Outstanding Principal Amount of the Notes not so redeemed.

**ARTICLE X**

**COLLECTIONS AND ALLOCATION OF FUNDS AND MAINTENANCE OF ACCOUNTS**

Section 10.1 Segregation of Money; Investments. The Indenture Trustee shall segregate and hold all money and property received by it in trust for the Secured Parties, and shall apply it as provided in this Indenture. Absent any Servicer Order or other written instructions from the Servicer hereunder, the Indenture Trustee shall invest and reinvest the funds held in any Indenture Trust Account in one or more Eligible Investments of the type described in clause (e) of the definition thereof.

Section 10.2 Lock-Box Account, Collections Account, Lease and Reimbursement Payment Account, Franchisee Insurance Proceeds Account, Advertising Funds Account and Residual Account. (a) The Indenture Trustee shall, prior to the Closing Date, establish two (2) segregated trust accounts at its Corporate Trust Office which shall be held in trust in the name of the Indenture Trustee for the benefit of the Secured Parties and designated as the Collections Account and Franchisee Insurance Proceeds Account. The Lock-Box Bank shall, prior to the Closing Date, establish four segregated accounts in the name of the Issuer which shall be designated, respectfully, as the Lock-Box Account, Advertising Funds Account, the Lease and Reimbursement Payment Account and the Residual Account.

(i) From and after the Cut-Off Date, all funds received by or for the account of the Issuer, the Co-Issuer or payable to the Issuer (other than Advertising Funds,

Contributed Optional Redemption Amount Funds or Contributed Asset Purchase Funds) or the Co-Issuer shall be required to be remitted directly into the Lock-Box Account. Not later than the second Business Day after such remittance, all such funds shall be swept by the Lock-Box Bank to the Indenture Trustee and deposited into the Collections Account, except that funds received from Franchisees operating Type 3 IHOP Restaurants will instead be delivered to the Servicer and deposited into the Servicer's operating account. The Servicer shall deposit into the Lock-Box Account (i) all such funds required to be directly remitted to the Lock-Box Account, but incorrectly remitted into an account held by the Servicer or otherwise received by the Servicer and (ii) such portions of funds received from Franchisees operating any Type 3 IHOP Restaurant that constitute Collections (which, for the avoidance of doubt, are payments not relating to any Type 3 IHOP Restaurant), in each case, within two (2) Business Days of its actual knowledge of such remittance or receipt.

(ii) From and after the Cut-Off Date, all Advertising Funds shall be required to be remitted directly into the Advertising Funds Account. Any Advertising Funds incorrectly remitted to the Lock-Box Account or the Collections Account (including as set forth in Section 2.1(j) of the Servicing Agreement) shall be released therefrom and promptly transferred into the Advertising Funds Account in accordance with the Weekly Servicer's Report. All other funds received from any other source received by the Servicer shall be deposited into the Lock-Box Account within two (2) Business Days of its actual knowledge of receipt thereof and, not later than the subsequent Business Day, shall be swept by the Lock-Box Bank to the Indenture Trustee and deposited into the Collections Account.

(iii) All funds deposited from time to time in the Lock-Box Account, the Collections Account, the Franchisee Insurance Proceeds Account, the Lease and Reimbursement Payment Account and the Residual Account pursuant to this Indenture shall be held by the Indenture Trustee (or by the Lock-Box Bank with respect to the Lock-Box Account, the Lease and Reimbursement Payment Account and the Residual Account) as part of the Trust Estate and shall be applied for the purposes herein provided.

(b) Withdrawals of funds from the Collections Account and the Franchisee Insurance Proceeds Account from time to time by the Indenture Trustee pursuant to this Indenture shall be made by the Indenture Trustee solely according to the Weekly Servicer's Report (subject to Section 6.1(c)) unless an Event of Default or a Servicer Termination Event is continuing.

(c) Withdrawals of funds from the Advertising Funds Account and the Lease and Reimbursement Payment Account, respectively, from time to time may be made by either (i) the Servicer in accordance with the Servicing Agreement and the applicable Account Control Agreement upon the delivery of written notice to the Lock-Box Bank so long as a Servicer Termination Event is not continuing, or (ii) the Lock-Box Bank in accordance with the applicable Account Control Agreement upon the order of the Back-Up Servicer so long as a Servicer Termination Event is continuing.

(d) The Indenture Trustee shall when so instructed by a Servicer Order invest and reinvest monies deposited in the Collections Account or the Franchisee Insurance Proceeds Account in Eligible Investments, maturing no later than the next Weekly Allocation Date or one day prior to the next Payment Date. All income or other gain from such investments shall be credited to such Collections Account, and any loss resulting from such investments shall be charged to the Collections Account. The Indenture Trustee shall not in any way be held liable by reason of any insufficiency in the Collections Account resulting from any loss on any Eligible Investment. If any such Servicer Order is received after 1:00 p.m. (New York time) on any Business Day, the Indenture Trustee will have no obligation to make such investment on such day but shall use its best efforts to make such investment on such day, and, unless otherwise instructed by the Servicer, shall in any event make such investment by the next Business Day.

(e) From time to time after the Closing Date, the Issuer may use Contributed Asset Purchase Funds for the sole purpose of acquiring Converted Type 3 Assets or Franchise Assets after the Closing Date in accordance with the applicable Asset Transfer Agreement. Any Contributed Asset Purchase Funds shall not constitute Collections or Adjusted Collections for any purpose, and will be disregarded for the purpose of all tests and measurements in the Transaction Documents.

Section 10.3 Principal Payment Accounts. (a) The Indenture Trustee shall promptly upon the execution of a Series Supplement relating to the establishment of a Series of Notes and prior to the issuance of any Notes relating to such Series Supplement establish a segregated trust account at its Corporate Trust Office which shall be held in trust in the name of the Indenture Trustee for the benefit of the Secured Parties and designated as the Principal Payment Account for such Series of Notes.

(i) Funds shall be deposited into each Principal Payment Account as provided in Section 10.9.

(ii) All funds deposited from time to time in each Principal Payment Account pursuant to this Indenture shall be held by the Indenture Trustee as part of the Trust Estate and shall be applied for the purposes herein provided.

(b) All payments to be made from time to time by the Indenture Trustee out of funds in each Principal Payment Account pursuant to this Indenture shall be made by the Indenture Trustee according to the Monthly Servicer's Report unless an Event of Default or a Servicer Termination Event is continuing. In addition, the Indenture Trustee, shall, at the written direction of the Servicer in accordance with Section 2.1(j) of the Servicing Agreement, withdraw any amounts in each Principal Payment Account for appropriate deposit under this Indenture which have been mistakenly deposited in such Principal Payment Account.

(c) The Indenture Trustee shall when so instructed by a Servicer Order invest and reinvest monies deposited in each Principal Payment Account in Eligible Investments maturing no later than the day immediately preceding the next Payment Date within one Business Day after the deposit of such monies. All income or other gain from such investments shall be credited to such Principal Payment Account, and any loss resulting from such investments shall be charged to such Principal Payment Account. The Indenture Trustee shall

not in any way be held liable by reason of any insufficiency in any Principal Payment Account resulting from any loss on any Eligible Investment. If any such Servicer Order is received after 1:00 p.m. (New York time) on any Business Day, the Indenture Trustee will have no obligation to make such investment on such day but shall use its best efforts to make such investment on such day, and, unless otherwise instructed by the Servicer, shall in any event make such investment by the next Business Day.

Section 10.4      Expense Payment Accounts. (a) The Indenture Trustee shall promptly upon the execution of this Indenture and prior to the issuance of any Notes establish segregated trust accounts at its Corporate Trust Office which shall be held in trust in the name of the Indenture Trustee for the benefit of the Secured Parties in respect of all Series of Notes and designated as the Operating Expense Payment Account, the Hedge Agreement Expense Payment Account, the Insurer Reimbursement and Expense Payment Account and the Insurer Premium Expense Payment Account, respectively (the “Expense Payment Accounts”).

- (i) Funds shall be deposited into each Expense Payment Account as provided in Section 10.9 of this Indenture.
- (ii) All funds deposited from time to time in each Expense Payment Account pursuant to this Indenture shall be held by the Indenture Trustee as part of the Trust Estate and shall be applied for the purposes herein provided.
- (b) All payments to be made from time to time by the Indenture Trustee out of funds in each Expense Payment Account pursuant to this Indenture shall be made by the Indenture Trustee according to the Weekly Servicer’s Report or Monthly Servicer’s Report unless an Event of Default or a Servicer Termination Event is continuing. In addition, the Indenture Trustee, shall, at the written direction of the Servicer in accordance with Section 2.1(j) of the Servicing Agreement, withdraw any amounts in each Expense Payment Account for appropriate deposit under this Indenture which have been mistakenly deposited in such Expense Payment Account.
- (c) The Indenture Trustee shall when so instructed by a Servicer Order invest and reinvest monies deposited in each Expense Payment Account in Eligible Investments maturing no later than the day immediately preceding the next Payment Date within one Business Day after the deposit of such monies. All income or other gain from such investments shall be credited to such applicable Expense Payment Account, and any loss resulting from such investments shall be charged to such Expense Payment Account. The Indenture Trustee shall not in any way be held liable by reason of any insufficiency in any Expense Payment Account resulting from any loss on any Eligible Investment. If any such Servicer Order is received after 1:00 p.m. (New York time) on any Business Day, the Indenture Trustee will have no obligation to make such investment on such day but shall use its best efforts to make such investment on such day, and, unless otherwise instructed by the Servicer, shall in any event make such investment by the next Business Day.

Section 10.5      Interest Payment Accounts. (a) The Indenture Trustee shall promptly upon the execution of a Series Supplement relating to a Series of Notes and prior to the issuance of any Notes relating to such Series Supplement establish a segregated trust account at

its Corporate Trust Office which shall be held in trust in the name of the Indenture Trustee for the benefit of the Secured Parties and designated as the Interest Payment Account for such Series of Notes.

(i) Funds shall be deposited into each Interest Payment Account as provided in Section 10.9 of this Indenture.

(ii) All funds deposited from time to time in each Series Interest Reserve Account pursuant to this Indenture shall be held by the Indenture Trustee as part of the Trust Estate and shall be applied for the purposes herein provided.

(b) All payments to be made from time to time by the Indenture Trustee out of funds in each Interest Payment Account pursuant to this Indenture shall be made by the Indenture Trustee according to the Monthly Servicer's Report unless an Event of Default or a Servicer Termination Event is continuing. In addition, the Indenture Trustee, shall, at the written direction of the Servicer in accordance with Section 2.1(j) of the Servicing Agreement, withdraw any amounts in each Interest Payment Account (as applicable) for appropriate deposit under this Indenture which have been mistakenly deposited in such Interest Payment Account.

(c) The Indenture Trustee shall when so instructed by a Servicer Order invest and reinvest monies deposited in each Interest Payment Account in Eligible Investments maturing no later than the day immediately preceding the next Payment Date within one Business Day after the deposit of such monies. All income or other gain from such investments shall be credited to such Interest Payment Account, and any loss resulting from such investments shall be charged to such Interest Payment Account. The Indenture Trustee shall not in any way be held liable by reason of any insufficiency in any Interest Reserve Account resulting from any loss on any Eligible Investment. If any such Servicer Order is received after 1:00 p.m. (New York time) on any Business Day, the Indenture Trustee will have no obligation to make such investment on such day but shall use its best efforts to make such investment on such day, and, unless otherwise instructed by the Servicer, shall in any event make such investment by the next Business Day.

Section 10.6 Fee Payment Accounts. (a) The Indenture Trustee shall promptly upon the execution of a Series Supplement relating to a Series of Notes and prior to the issuance of any Notes relating to such Series Supplement establish a segregated trust account at its Corporate Trust Office which shall be held in trust in the name of the Indenture Trustee for the benefit of the Secured Parties and designated as the Fee Payment Account for such Series of Notes.

(i) Funds shall be deposited into each Fee Payment Account as provided in Section 10.9 of this Indenture.

(ii) All funds deposited from time to time in each Fee Payment Account pursuant to this Indenture shall be held by the Indenture Trustee as part of the Trust Estate and shall be applied for the purposes herein provided.

(b) All withdrawals to be made from time to time by the Indenture Trustee out each Fee Payment Account pursuant to this Indenture shall be made by the Indenture Trustee

according to the Monthly Servicer's Report unless an Event of Default or a Servicer Termination Event is continuing. In addition, the Indenture Trustee, shall, at the written direction of the Servicer in accordance with Section 2.1(j) of the Servicing Agreement, withdraw any amounts in each Fee Payment Account (as applicable) for appropriate deposit under this Indenture which have been mistakenly deposited in such Fee Payment Account.

(c) The Indenture Trustee shall when so instructed by a Servicer Order invest and reinvest monies deposited in each Fee Payment Account in Eligible Investments maturing no later than the day immediately preceding the next Payment Date within one Business Day after the deposit of such monies. All income or other gain from such investments shall be credited to such Fee Payment Account, and any loss resulting from such investments shall be charged to such Fee Payment Account. The Indenture Trustee shall not in any way be held liable by reason of any insufficiency in any Fee Payment Account resulting from any loss on any Eligible Investment. If any such Servicer Order is received after 1:00 p.m. (New York time) on any Business Day, the Indenture Trustee will have no obligation to make such investment on such day but shall use its best efforts to make such investment on such day, and, unless otherwise instructed by the Servicer, shall in any event make such investment by the next Business Day.

Section 10.7 Interest Reserve Accounts. (a) The Indenture Trustee shall promptly upon the execution of a Series Supplement relating to a Series of Notes and prior to the issuance of any Notes relating to such Series Supplement establish a segregated trust account at its Corporate Trust Office which shall be held in trust in the name of the Indenture Trustee for the benefit of the Secured Parties and designated as the Interest Reserve Account for such Series of Notes.

(i) Funds shall be deposited into each Interest Reserve Account as provided in Section 10.9 of this Indenture.

(ii) All funds deposited from time to time in each Interest Reserve Account pursuant to this Indenture shall be held by the Indenture Trustee as part of the Trust Estate and shall be applied for the purposes herein provided.

(b) All withdrawals to be made from time to time by the Indenture Trustee out of each Interest Reserve Account pursuant to this Indenture shall be made by the Indenture Trustee to the Interest Payment Account according to the Monthly Servicer's Report unless an Event of Default or a Servicer Termination Event is continuing. In addition, the Indenture Trustee, shall, at the written direction of the Servicer in accordance with Section 2.1(j) of the Servicing Agreement, withdraw any amounts in each Interest Reserve Account (as applicable) for appropriate deposit under this Indenture which have been mistakenly deposited in any Interest Reserve Account.

(c) The Indenture Trustee shall when so instructed by a Servicer Order invest and reinvest monies deposited in each Interest Reserve Account in Eligible Investments within one Business Day after the deposit of such monies. All income or other gain from such investments shall be credited to such Interest Reserve Account, and any loss resulting from such investments shall be charged to such Interest Reserve Account. The Indenture Trustee shall not in any way be held liable by reason of any insufficiency in any Interest Reserve Account

resulting from any loss on any Eligible Investment. If any such Servicer Order is received after 1:00 p.m. (New York time) on any Business Day, the Indenture Trustee will have no obligation to make such investment on such day but shall use its best efforts to make such investment on such day, and, unless otherwise instructed by the Servicer, shall in any event make such investment by the next Business Day.

(d) On the applicable Issuance Date, the Indenture Trustee shall deposit into each Interest Reserve Account the Series Initial Interest Reserve Deposit Amount.

Section 10.8 Trigger Reserve Accounts. (a) The Indenture Trustee shall promptly upon the execution of a Series Supplement relating to a Series of Notes and prior to the issuance of any Notes relating to such Series Supplement establish a segregated trust account at its Corporate Trust Office which shall be held in trust in the name of the Indenture Trustee for the benefit of the Secured Parties and designated as the Trigger Reserve Account for such Series of Notes.

(i) Funds shall be deposited into each Series Trigger Reserve Account as provided in Section 10.9 of this Indenture.

(ii) All funds deposited from time to time in each Series Trigger Reserve Account pursuant to this Indenture shall be held by the Indenture Trustee as part of the Trust Estate and shall be applied for the purposes herein provided.

(b) All withdrawals to be made from time to time by the Indenture Trustee out of each Trigger Reserve Account pursuant to this Indenture shall be made by the Indenture Trustee according to the Monthly Servicer's Report unless an Event of Default or a Servicer Termination Event is continuing. In addition, the Indenture Trustee, shall, at the written direction of the Servicer in accordance with Section 2.1(j) of the Servicing Agreement, withdraw any amounts in the Trigger Reserve Account for appropriate deposit under this Indenture which have been mistakenly deposited in any Series Trigger Reserve Account.

(c) The Indenture Trustee shall when so instructed by a Servicer Order invest and reinvest monies deposited in each Series Trigger Reserve Account in Eligible Investments maturing no later than the day immediately preceding the next Payment Date within one Business Day after the deposit of such monies. All income or other gain from such investments shall be credited to such Trigger Reserve Account and any loss resulting from such investments shall be charged to such Trigger Reserve Account. The Indenture Trustee shall not in any way be held liable by reason of any insufficiency in any Series Trigger Reserve Account resulting from any loss on any Eligible Investment. If any such Servicer Order is received after 1:00 p.m. (New York time) on any Business Day, the Indenture Trustee will have no obligation to make such investment on such day but shall use its best efforts to make such investment on such day, and, unless otherwise instructed by the Servicer, shall in any event make such investment by the next Business Day.

Section 10.9 Disbursement of Funds from Collections Account. On the third Business Day following the last day of each Weekly Collections Allocation Period (each, a "Weekly Allocation Date"), the Indenture Trustee shall upon Servicer Order and based solely on

the information contained in the Weekly Servicer’s Report (subject to Section 6.1(c)) withdraw any and all funds on deposit in the Collections Account in respect of the preceding calendar week for allocation or payment as follows:

(a) deposit, ratably, on the basis of the amount to be allocated, (I) *first*, to the Lease and Reimbursement Payment Account the (A) Type 1 Property Lease Payment Allocation Amount; (B) Type 2 Property Lease Payment Allocation Amount; (C) Training Fee Reimbursement Payment Allocation Amount; (D) Third Party Reimbursed Payment Allocation Amount; and (E) Supplier Payment Allocation Amount and (II) *second*, to the Franchisee Insurance Proceeds Account the Franchisee Insurance Restoration Payment Allocation Amount;

(b) to the extent that the Cumulative Debt Service Coverage Ratio as determined as of the immediately preceding Accounting Date is less than the greatest of the Defective Asset Payment Series DSCR Thresholds applicable to each respective Outstanding Series of Notes, deposit the sum of the Defective Asset Damages Amount Payments (if greater than zero) received during the immediately preceding Weekly Collections Allocation Period;

(i) to the Principal Payment Account for each Senior Series of Notes, ratably, on the basis of the Aggregate Outstanding Principal Amount of each such Senior Series of Notes (except that, to the extent specified in the applicable Series Supplement relating to any such Series of Notes, the ratable portion relating to such Series of Notes will not be deposited to the Principal Payment Account relating to such Series of Notes but instead will be released for allocation or payment in accordance with this Section 10.9), or,

(ii) if no Senior Series of Notes is outstanding on such Weekly Allocation Date and each Insurer relating to a Senior Series of Notes previously Outstanding has been paid any and all amounts due or that could become due to it in full, if applicable, to the Principal Payment Account for each Senior Subordinated Series of Notes and each Subordinated Series of Notes, ratably, on the basis of the Aggregate Outstanding Principal Amount of such Senior Subordinated Series of Notes and such Subordinated Series of Notes (except that, to the extent specified in the applicable Series Supplement relating to any such Series of Notes, the ratable portion relating to such Series of Notes will not be deposited to the Principal Payment Account relating to such Series of Notes but instead will be released for allocation or payment in accordance with this Section 10.9);

(c) payment to the Servicer, (I) *first*, of the Weekly Servicing Fee and, (II) *second*, any such Weekly Servicing Fee due and unpaid on previous Weekly Allocation Dates;

(d) deposit (I) *first*, to the Hedge Agreement Expense Payment Account the Hedge Agreement Allocation Amount, and (II) *second*, any such amount not deposited to the Hedge Agreement Expense Payment Account relating to previous Weekly Collections Allocation Periods (if greater than zero), excluding any Series Hedge Agreement Termination Payment Allocation Amount;



(e) deposit, ratably, on the basis of the respective amounts to be allocated, (A) to the Operating Expense Payment Account the Operating Expense Allocation Amount up to the Capped Operating Expense Allocation Amount; (B) to the Insurer Premium Expense Payment Account for each Senior Series of Notes, the Senior Series Insurer Premium Allocation Amount and any Overdue Interest accrued and unpaid thereon; (C) to the Interest Payment Account for each Senior Series of Notes, the Senior Series Interest Allocation Amount and any Overdue Interest accrued and unpaid thereon; *provided*, that if the remaining funds are insufficient to make the foregoing allocations in (B) through (C), such funds shall be allocated among each Senior Series of Notes, ratably, on the basis of the interest payable on the next Payment Date; and (D) to the Fee Payment Account for each Senior Series of Notes, the Senior Series Fee Allocation Amount and any Overdue Interest accrued and unpaid thereon, *provided, further*, that if the remaining funds are insufficient to make the foregoing allocations in (D), such funds shall be allocated among each Senior Series of Notes, ratably, on the basis of fees payable on the next Payment Date;

(f) deposit, ratably, on the basis of the respective amounts to be allocated, to the Insurer Reimbursement and Expense Payment Account, the Senior Series Insurer Reimbursement and Expense Allocation Amount (if any) for each Senior Series of Notes and any such amount not deposited to the appropriate account in previous Weekly Collections Allocation Periods (if any);

(g) deposit to the Interest Reserve Account for each Senior Series of Notes, ratably, on the basis of the Aggregate Outstanding Principal Amount of each such Senior Series of Notes, the *difference* (if greater than zero) between (I) the Series Interest Reserve Account Required Amount for such Senior Series of Notes and (II) the amount on deposit in such Interest Reserve Account (as of the preceding Business Day) for such Senior Series of Notes;

(h) deposit, (I) *first*, ratably, on the basis of the respective amounts to be allocated, (A) to the Insurer Premium Expense Payment Account, the Senior Subordinated Series Insurer Premium Allocation Amount, (B) to the Interest Payment Account of each Senior Subordinated Series of Notes the Senior Subordinated Series Interest Allocation Amount; *provided*, that if the remaining funds are insufficient to make the foregoing allocations, such funds shall be allocated among each Senior Subordinated Series of Notes, ratably, on the basis of the interest payable on the next Payment Date, and (C) to the Fee Payment Account for each Senior Subordinated Series of Notes the Senior Subordinated Series Fee Allocation Amount; *provided*, that if the remaining funds are insufficient to make the foregoing allocations, such funds shall be allocated among each Senior Subordinated Series of Notes, ratably, on the basis of fees payable on the next Payment Date; and, (II) *second*, ratably, on the basis of the respective amounts to be allocated, any such amounts not allocated under (I) above (without duplication) to the appropriate accounts in previous Weekly Collections Allocation Periods (if greater than zero), and any Overdue Interest accrued thereon;

(i) deposit to the Insurer Reimbursement and Expense Account, ratably, on the basis of the amounts to be allocated, the Senior Subordinated Series Insurer Reimbursement and Expense Allocation Amount (if any);

(j) deposit to the Interest Reserve Account for each Senior Subordinated Series of Notes, ratably, on the basis of the Aggregate Outstanding Principal Amount of such Senior Subordinated Series of Notes the *difference* (if greater than zero) between (i) the Series Interest Reserve Account Required Amount for such Senior Subordinated Series of Notes and (ii) the amount on deposit in such Interest Reserve Account (as of the preceding Business Day) for such Senior Subordinated Series of Notes;

(k) payment to the Servicer of, *first*, any Supplemental Servicing Fee and, *second*, any Supplemental Servicing Fee due and unpaid on the previous Weekly Allocation Date;

(l) deposit to the Trigger Reserve Account of each Senior Series of Notes (so long as none of the Senior Series Principal Payment Account Conditions is met other than because the next Payment Date is an Optional Redemption Date for any Senior Series of Notes) the *product* of (x) the applicable Series Trigger Reserve Proportion and (y) the portion of the funds remaining in the Collections Account allocable to each such Senior Series of Notes, ratably, on the basis of the Aggregate Outstanding Principal Amount thereof, but if and only if (1) the Weekly Allocation Date is prior to the Series Anticipated Repayment Date and (2) the Series Debt Service Coverage Ratio determined as of the preceding Accounting Date is within the applicable Series DSCR Trigger Reserve Account Deposit Threshold Range relating to such Series Trigger Reserve Proportion; *provided*, that the remaining funds in the Collections Account not so deposited shall be released for further allocation or payment in accordance with this Section 10.9.

(m) deposit any remaining funds in the Collections Account to the Principal Payment Account for each Senior Series of Notes meeting one of the following conditions (the “Senior Series Principal Payment Account Conditions”), allocated, ratably, on the basis of the Aggregate Outstanding Principal Amount for each Senior Series of Notes for which such deposit shall be made:

(i) a Mandatory Redemption Period is continuing with respect to such Senior Series of Notes;

(ii) the next Payment Date is on or after the Series Anticipated Repayment Date for such Senior Series of Notes or is an Optional Redemption Date for such Senior Series of Notes (*provided* that any deposit hereunder required for a Senior Series of Notes only because the next Payment Date is an Optional Redemption Date for such Senior Series of Notes shall not be made should a deposit be required for any other Senior Series of Notes for any other reason under this clause (m));

(iii) an Event of Default has occurred and is continuing or the Aggregate Outstanding Principal Amount of the Notes has been declared due and payable pursuant to Section 5.2, and such declaration has not been rescinded or annulled in accordance with Section 5.2; or

(iv) such Senior Series of Notes was not repaid in full on or after the applicable Series Anticipated Repayment Date;

*provided*, that if such deposit is required for a Senior Series of Notes solely because the next Payment Date is an Optional Redemption Date relating to such Senior Series of Notes, such deposit shall be the *lesser* of (1) any remaining funds in the Collections Account (or, as applicable, the portion of such remaining funds allocable to such Senior Series of Notes) and (2) the amount required to be deposited (ratably, on the basis of the Aggregate Outstanding Principal Amount of each such Senior Series of Notes) in the Principal Payment Account for such Senior Series of Notes, such that the aggregate amount on deposit in such accounts equals the applicable Optional Redemption Amount;

(n) deposit, (I) *first*, to the Hedge Agreement Expense Payment Account any Hedge Agreement Termination Payment Allocation Amount and (II) *second*, any such amounts not deposited in previous Weekly Allocation Periods, if any;

(o) deposit, (I) *first*, ratably, on the basis of the respective amounts to be allocated, (A) to the Insurer Premium Expense Payment Account, the Subordinated Series Insurer Premium Allocation Amount, (B) to the Interest Payment Account of each Subordinated Series of Notes the Subordinated Series Interest Allocation Amount; *provided*, that if the remaining funds are insufficient to make the foregoing allocation, such funds shall be allocated among each Subordinated Series of Notes, ratably, on the basis of the interest payable on the next Payment Date, and (C) to the Fee Payment Account for each Subordinated Series of Notes the Subordinated Series Fee Allocation Amount; *provided*, that if the remaining funds are insufficient to make the foregoing allocation, such funds shall be allocated among each Subordinated Series of Notes, ratably, on the basis of fees payable on the next Payment Date; and (II) *second*, ratably, on the basis of the respective amounts to be allocated, any such amounts not allocated under (I) above (without duplication) to the appropriate account in previous Weekly Collections Allocation Periods (if any), and any Overdue Interest accrued thereon;

(p) deposit to the Insurer Reimbursement and Expense Payment Account, ratably, on the basis of the amounts to be allocated, the Subordinated Series Insurer Reimbursement and Expense Allocation Amount (if any) for each Subordinated Series of Notes and any such amount not deposited to the appropriate account in previous Weekly Collections Allocation Periods (if any);

(q) deposit to the Interest Reserve Account for each Subordinated Series of Notes, ratably, on the basis of the Aggregate Outstanding Principal Amount the *difference* (if greater than zero) between (i) the Series Interest Reserve Account Required Amount for such Subordinated Series of Notes and (ii) the amount on deposit in such Interest Reserve Account (as of the preceding Business Day) for such Subordinated Series of Notes;

(r) deposit to the Trigger Reserve Account of each Subordinated Series of Notes and each Senior Subordinated Series of Notes, so long as none of the Subordinated Series Principal Payment Account Conditions is met other than because the next Payment Date is an Optional Redemption Date for any Subordinated Series of Notes or Senior Subordinated Series of Notes, the *product* of (x) the applicable Series Trigger Reserve Proportion and (y) the portion of the funds remaining in the Collections Account allocable to each such Subordinated Series of Notes and Senior Subordinated Series of Notes, ratably, on the basis of the Aggregate Outstanding Principal Amount thereof, but if and only if (1) the Weekly Allocation Date is prior

to the Series Anticipated Repayment Date and (2) the Series Debt Service Coverage Ratio determined as of the preceding Accounting Date is within the applicable Series DSCR Trigger Reserve Account Deposit Threshold Range relating to such Series Trigger Reserve Proportion; *provided*, that the remaining funds in the Collections Account not so deposited shall be released for further allocation or payment in accordance with this Section 10.9.

(s) deposit any remaining funds in the Collections Account to the Principal Payment Account for each Senior Subordinated Series of Notes or Subordinated Series of Notes, as applicable, meeting one of the following conditions (the “Subordinated Series Principal Payment Account Conditions”), allocated, ratably, on the basis of the Aggregate Outstanding Principal Amount of each Senior Subordinated Series of Notes or Subordinated Series of Notes, as applicable, for which such deposit shall be made:

(i) a Mandatory Redemption Period is continuing with respect to such Senior Subordinated Series of Notes or Subordinated Series of Notes;

(ii) the next Payment Date is on or after the Series Anticipated Repayment Date for such Senior Subordinated Series of Notes or Subordinated Series of Notes or is an Optional Redemption Date for such Senior Subordinated Series of Notes or Subordinated Series of Notes (*provided* that any deposit hereunder required for a Senior Subordinated Series of Notes or Subordinated Series of Notes solely because the next Payment Date is an Optional Redemption Date for such Senior Subordinated Series of Notes or Subordinated Series of Notes shall not be made should a deposit be required for any other reason under this clause (s));

(iii) an Event of Default has occurred and is continuing or the Aggregate Outstanding Principal Amount of the Notes has been declared due and payable pursuant to Section 5.2, and such declaration has not been rescinded or annulled in accordance with Section 5.2; or

(iv) such Senior Subordinated Series of Notes or Subordinated Series of Notes was not repaid in full on or after the applicable Series Anticipated Repayment Date;

*provided*, that if such deposit is required for a Senior Subordinated Series of Notes or Subordinated Series of Notes solely because the next Payment Date is an Optional Redemption Date relating to such Senior Subordinated Series of Notes or Subordinated Series of Notes, such deposit shall be the *lesser* of (1) any remaining funds in the Collections Account (or, as applicable, the portion of such remaining funds allocable with respect to such Series of Notes) and (2) the amount required to be deposited (ratably, on the basis of the Aggregate Outstanding Principal Amount of such Senior Subordinated Series of Notes or Subordinated Series of Notes) in the Principal Payment Account for such Senior Subordinated Series of Notes or Subordinated Series of Notes, such that the aggregate amount on deposit in such accounts equals the applicable Optional Redemption Amount;

(t) deposit, *first*, to the Interest Payment Account of each Senior Series of Notes, the Senior Series Additional Interest Allocation Amount, *second*, to the Interest Payment Account of each Senior Subordinated Series of Notes, the Senior Subordinated Series Additional

Interest Allocation Amount, and, *third*, to the Interest Payment Account of each Subordinated Series of Notes, the Subordinated Series Additional Interest Allocation Amount;

(u) deposit to the Operating Expense Payment Account the *difference* (if greater than zero) between (i) the Operating Expense Allocation Amount and (ii) any such amount not deposited to the Operating Expense Payment Account in previous Weekly Collections Allocation Periods; and

(v) payment to the Issuer for deposit to the Residual Account of any funds remaining in the Collections Account in respect of such Weekly Collections Allocation Period, which funds shall be withdrawn by the Lock-Box Bank and transferred to IHOP Inc. (which amounts shall be distributed from the Issuer to IHOP Holdings, and, subsequently, distributed from IHOP Holdings to IHOP Inc.), except such amounts as are to be excluded, in accordance with the Issuer’s and IHOP Holdings’ revocable standing instruction in the form attached hereto as Exhibit F (such funds being a distribution from the Issuer to IHOP Holdings and a subsequent distribution by IHOP Holdings to IHOP, Inc.).

Section 10.10      Notices to Insurers and the Rating Agencies. The Indenture Trustee shall, promptly after receipt, deliver copies of the following documents to each Insurer and the Rating Agencies or, as the case may be, give prior notice to (and, if unable to give prior notice, to the extent the Indenture Trustee has actual knowledge thereof, notify promptly, and in any event within 10 Business Days after the occurrence thereof) each Insurer and the Rating Agencies of the following events:

- (a) the occurrence of a Default or an Event of Default under this Indenture;
- (b) any resignation or removal of the Indenture Trustee or appointment of a successor Indenture Trustee;
- (c) any change in the Servicer; and
- (d) any redemption of Notes.

**ARTICLE XI**

**APPLICATION OF FUNDS**

Section 11.1      Application of Funds. (a) The Servicer, upon notifying the Indenture Trustee or the Lock-Box Bank, as applicable, to the extent that the Servicer may withdraw funds from the applicable account pursuant to Section 10.2, or the Indenture Trustee, upon Servicer Order or the order of the Back-Up Servicer (as applicable), may, on any Business Day, apply funds on deposit in the Advertising Funds Account, the Lease and Reimbursement Payment Account and the Franchisee Insurance Proceeds Account, respectively, in accordance with the following:

- (i) from the Advertising Funds Account, to the extent of funds available in such account, payments relating to advertising and promotional operations in accordance

with the Franchise Agreements, Area License Agreement, Servicing Agreement, Account Control Agreement (Other Accounts) and any other applicable Transaction Document;

(ii) from the Lease and Reimbursement Payment Account, to the extent of funds available in such account, payments of (A) Type 1 Property Lease Payments pursuant to Type 1 Property Leases, (B) Type 2 Property Lease Payments pursuant to Type 2 Property Leases, (C) Training Fee Reimbursement Payments pursuant to any applicable Franchise Agreement, Area License Agreement or other Transaction Documents, (D) Third Party Reimbursement Payments pursuant to any applicable Franchise Agreement, Area License Agreement or other Transaction Documents and (E) Supplier Payments pursuant to Product Sourcing Agreements; and

(iii) from the Franchisee Insurance Proceeds Account, to the extent of funds available in such account, payments of Franchisee Insurance Restoration Payments; *provided* that any funds on deposit in the Franchisee Insurance Proceeds Account in which the Issuer has the sole interest and that will not ultimately be paid as Franchisee Insurance Restoration Payments, will be withdrawn from the Franchisee Insurance Proceeds Account and deposited to the Collections Account for allocation in accordance with the Weekly Collections Account Allocation Priority.

(b) Based solely on the information contained in the Monthly Servicer's Report (subject to Section 6.1(c)), the Indenture Trustee shall on each Payment Date apply funds on deposit in various Indenture Trust Accounts to satisfy the Co-Issuers' payment obligations in accordance with Section 11.1(c) through (e) hereof.

(c) On each Payment Date, the Indenture Trustee shall apply funds on deposit in the Hedge Agreement Expense Payment Account, Operating Expense Payment Account, Insurer Premium Expense Payment Account, Interest Payment Account for each Series of Notes, Fee Payment Account for each Series of Notes and the Insurer Reimbursement Account according to the following:

(i) to the extent of funds available on deposit in the Hedge Agreement Expense Payment Account, *first*, ratably, on the basis of the respective amounts due, payments of all Series Hedge Agreement Payment Amounts and, *second*, ratably on the basis of the respective amounts due, payment of any such amounts due and unpaid with respect to previous Payment Dates (if any) and *third*, ratably, on the basis of the respective amounts due, payments of all Series Hedge Agreement Termination Payment Amounts;

(ii) to the extent of funds available on deposit in the Operating Expense Payment Account, *first*, ratably, on the basis of the respective amounts due, payment of the Operating Expense Payment Amount and, *second*, ratably, on the basis of the respective amounts due, payment of any such amounts due and unpaid with respect to previous Payment Dates (if any);

(iii) to the extent of funds available in the Insurer Premium Expense Payment Account, *first*, ratably, on the basis of the respective amounts due, payment of any Senior

Series Insurer Premium Payable Amount in respect of any Senior Series of Notes *plus* any such amount due and unpaid with respect to previous Payment Dates and Overdue Interest accrued and unpaid with respect thereto; *second*, ratably, on the basis of the respective amounts due, payment of any Senior Subordinated Series Insurer Premium Payable Amount in respect of any Senior Subordinated Series of Notes *plus* any such amount due and unpaid with respect to previous Payment Dates and Overdue Interest accrued and unpaid with respect thereto, and *third*, ratably, on the basis of the respective amounts due, payment of any Subordinated Series Insurer Premium Payable Amount in respect of any Subordinated Series of Notes *plus* any such amount due and unpaid with respect to previous Payment Dates and Overdue Interest accrued and unpaid with respect thereto;

(iv) with respect to each Series of Notes, to the extent of funds available in, *first*, the Interest Payment Account relating to each Series of Notes, and, *second*, the Interest Reserve Account relating to each Series of Notes, payment of (1) *first*, the Series Interest Payment Amount, (2) *second*, any such amounts due and unpaid relating to previous Payment Dates (if any), (3) *third*, any Overdue Interest accrued and unpaid relating to previous Payment Dates, and (4) *fourth*, the Series Additional Interest Payment Amount due on such Payment Date, and, paid in accordance with this subsection 11.1(c), *provided*, that, no portion of the Series Additional Interest Payment Amount for any Series of Notes shall be paid with funds on deposit in any Interest Reserve Account;

(v) with respect to each Series of Notes, to the extent of funds available in the Fee Payment Account relating to each Series of Notes, payment of (1) *first*, the Series Fee Payment Amount relating to such Series of Notes that is payable on such Payment Date and (2) *second*, any such amount due and unpaid relating to previous Payment Dates (if any); and

(vi) to the extent of funds available in the Insurer Reimbursement and Expense Account, payment of (1) *first*, ratably, on the basis of the respective amounts due, the Senior Series Insurer Reimbursement and Expense Payment Amount and any accrued and unpaid Overdue Interest thereon, (2) *second*, ratably, on the basis of the respective amounts due, the Senior Subordinated Series Insurer Reimbursement and Expense Payment Amount and any accrued and unpaid Overdue Interest thereon, and (3) *third*, ratably, on the basis of the respective amounts due, the Subordinated Series Insurer Reimbursement and Expense Payment Amount and any accrued and unpaid Overdue Interest thereon.

(d) On each Payment Date, with respect to any Series of Notes, the Indenture Trustee shall distribute funds on deposit in the Principal Payment Account for such Series of Notes and, only in the case of clause (i), clause (ii) or clause (iii) of this Section 11.1(d), the Trigger Reserve Account for such Series of Notes, according to the following priority of payments:

(i) if such Payment Date is on or after the Series Anticipated Repayment Date for any Series of Notes, payment of the Series Outstanding Principal Amount for such

Series of Notes (or, to the extent of funds available, a portion thereof, paid ratably, to Noteholders based on their respective share of the Aggregate Outstanding Principal Amount for such Series of Notes);

(ii) if the Notes of any Series are subject to Mandatory Redemption, payment of an amount equal to the Mandatory Redemption Amount to Noteholders as a reduction in the Series Outstanding Principal Amount, allocated ratably among such Noteholders based on their respective shares of the Aggregate Outstanding Principal Amount for such Series of Notes; *provided*, that funds on deposit in such Principal Payment Account solely because of the occurrence of the first Series DSCR Mandatory Redemption Event for such Series of Notes shall not be paid to Noteholders until the earlier of the fourth Payment Date (in contemplation of a potential cure of the underlying Mandatory Redemption Event) immediately succeeding the Mandatory Redemption Determination Date relating to such Series DSCR Mandatory Redemption Event and any earlier Payment Date on which such Series Debt Service Coverage Ratio is less than the Series Minimum Debt Service Coverage Ratio;

(iii) if an Event of Default has occurred and is continuing or the Aggregate Outstanding Principal Amount of the Notes has been declared due and payable pursuant to Section 5.2, and such declaration has not been rescinded or annulled in accordance with Section 5.2, payment of all funds on deposit in the Trigger Reserve Account and Principal Payment Account for each Series of Notes to the Noteholders of each such Series of Notes as a reduction in the Series Outstanding Principal Amount for each Series of Notes, allocated among Noteholders ratably based on their respective share of the Aggregate Outstanding Principal Amount for such Series of Notes; *provided*, that any amounts on deposit in the Trigger Reserve Account and Principal Payment Account for each Series of Notes as a result of liquidation of Collateral shall be applied to any amounts due and payable under this Indenture in a manner consistent with the allocation and payment priority of Section 10.9 (*provided* that no residual may be paid under Section 10.9 or 11.1 until all monthly obligations are paid in full and all principal of the Notes is retired) prior to payment specified in this Section 11.1(d)(iii);

(iv) if the Notes of any Series are subject to Optional Redemption, payment of an amount equal to the Optional Redemption Amount to Noteholders of such Series of Notes as a reduction in the Series Outstanding Principal Amount and to the Insurer (as applicable); and

(v) payment to Noteholders of any Series of Notes as a reduction of the Aggregate Outstanding Principal Amount, of any Defective Asset Damages Amount Payments deposited to the Principal Payment Account relating to such Series of Notes since the immediately preceding Payment Date, allocated among Noteholders ratably based on their respective share of the Aggregate Outstanding Principal Amount for such Series of Notes.

(e) (i) On each Payment Date, with respect to any Series of Notes, the Indenture Trustee shall withdraw the Series Trigger Reserve Release Amount from the Trigger Reserve Account relating to such Series of Notes and deposit such funds into the Collections



Account for allocation in accordance with Section 10.9 if (A) such Payment Date is prior to the Series Anticipated Repayment Date for such Series of Notes and (B) a Series Trigger Reserve Release Event has occurred; *provided*, that the funds shall remain in the Trigger Reserve Account until otherwise applied in accordance with this Section 11.1(e)(i).

(ii) On each Payment Date, so long as no Default or Event of Default has occurred or is continuing, with respect to any Series of Notes for which a Series DSCR Mandatory Redemption Event has been cured on the preceding Accounting Date in accordance with Section 9.1, so long as no subsequent Mandatory Redemption Event has occurred or is continuing as provided hereunder, the Indenture Trustee shall withdraw from the Principal Payment Account of such Series of Notes any and all funds deposited to such Principal Payment Account only because of the occurrence of such Series DSCR Mandatory Redemption Event and deposit such funds into the Collections Account for allocation in accordance with Section 10.9;

(iii) On each Payment Date, so long as no Default or Event of Default has occurred or is continuing, with respect to any Series of Notes, the Indenture Trustee shall withdraw the Series Interest Reserve Release Amount from the Interest Reserve Account relating to such Series of Notes and deposit such funds into the Collections Account for allocation in accordance with Section 10.9 if a Series Interest Reserve Release Event has occurred.

**ARTICLE XII**

**REPORTS**

**Section 12.1 Reports and Instructions to Indenture Trustee.**

- (a) Weekly Servicer’s Report. By 12:00 p.m. (noon)(New York City time) on the day prior to each Weekly Allocation Date, the Issuer shall furnish, or cause to be furnished, to the Indenture Trustee, the Rating Agencies and each Insurer a weekly servicer report substantially in the form of Exhibit J hereto (each, a “Weekly Servicer’s Report”).
- (b) Monthly Servicer’s Certificate. On or before the third Business Day prior to each Payment Date, the Issuer shall furnish, or cause to be furnished, to the Indenture Trustee, each Insurer, the Rating Agencies and the Paying Agent a certificate substantially in the form of Exhibit K (each, a “Monthly Servicer’s Certificate”) with a monthly servicer report substantially in the form of Exhibit L hereto, including a certification to the effect that, except as otherwise provided in any other notice hereunder, no Servicer Termination Event, Event of Default or Default has occurred or is continuing (each, a “Monthly Servicer’s Report”).
- (c) Monthly Noteholders’ Statement. On or before the second Business Day prior to each Payment Date, the Issuer shall furnish, or cause to be furnished, to the Indenture Trustee, any Initial Purchaser of Notes, the Rating Agencies and each Insurer a Monthly Noteholders’ Statement with respect to each Series of Notes substantially in the form set forth in Exhibit M or provided in the applicable Series Supplement (each, a “Monthly Noteholders’ Statement”).

(d) Annual Accountants' Reports. As soon as available to the Issuer pursuant to Section 3.3 of the Servicing Agreement, the Issuer shall furnish, or cause to be furnished, to the Indenture Trustee, the Rating Agencies and each Insurer the reports of the Independent Accountants required to be delivered to the Issuer by the Servicer thereunder.

(e) Issuer and Co-Issuer Financial Statements. The Issuer and the Co-Issuer shall furnish, or cause to be furnished, to the Indenture Trustee, Series Controlling Party and the Rating Agencies the following financial statement:

(i) [RESERVED]

(ii) as soon as available and in any event within one hundred and twenty (120) days after the end of each fiscal year, audited consolidated balance sheets of each of the Securitization Entities as of the end of such fiscal year and audited consolidated statements of income, changes in member's equity and cash flows of each of the Securitization Entities for such fiscal year, setting forth in comparative form the figures for the previous fiscal year prepared in accordance with GAAP and accompanied by an opinion thereon of the Independent Accountants stating that such audited financial statements present fairly, in all material respects, the financial position of the companies being reported on and their results of operations and have been prepared in accordance with GAAP.

(f) IHOP Corp. Financial Statements. The Issuer shall furnish to the Indenture Trustee, each Series Controlling Party (so long as such Series Controlling Party is an Insurer) and the Ratings Agencies with respect to each Series of Notes Outstanding the following financial statements:

(i) as soon as available and in any event within forty five (45) days after the end of each of the first three quarters of each fiscal year, an unaudited consolidated balance sheet of IHOP Corp. as of the end of each of the first three quarters of each fiscal year and unaudited consolidated statements of income, changes in shareholders' equity and cash flows of IHOP Corp. for the period commencing at the end of the previous fiscal year and ending with the end of such quarter; and

(ii) as soon as available and in the event within one hundred and twenty (120) days after the end of each fiscal year, an audited consolidated balance sheet of IHOP Corp. as of the end of each fiscal year and audited consolidated statements of income, changes in shareholders' equity and cash flows of IHOP Corp. for such fiscal year, setting forth in comparative form the figures for the previous fiscal year, prepared in accordance with GAAP and accompanied by an opinion thereon of independent public accountants of recognized national standing stating such audited consolidated financial statements present fairly, in all material respects, the financial position of the companies being reported on and their results of operations and have been prepared in accordance with GAAP.

(g) Additional Information. The Issuer will furnish, or cause to be furnished, from time to time such additional information regarding the Collateral or compliance with

the covenants and other agreements of any Securitization Entity under the Transaction Documents as the Indenture Trustee or any Series Controlling Party may reasonably request, subject at all times to compliance with the Exchange Act, the Securities Act and any other applicable law by IHOP Corp., the Servicer, IHOP Holdings and any Securitization Entity.

(h) Instructions as to Withdrawals and Payments. The Issuer or the Servicer will furnish, or cause to be furnished, to the Indenture Trustee or the Paying Agent, as applicable, written instructions to make withdrawals and payments from the Collections Account and any other Trust Account, as contemplated herein and in any Series Supplement. The Indenture Trustee and the Paying Agent shall promptly follow any such written instructions.

(i) Electronic Distribution. Notwithstanding anything to the contrary herein, the certificates, statements, reports and other information to be furnished pursuant to this Section 12.1 may be furnished in electronic form complying with technological requirements reasonably acceptable to the recipient thereof.

Section 12.2 Annual Noteholders' Tax Statement. Unless otherwise specified in the applicable Series Supplement, on or before January 31 of each calendar year, beginning with calendar year 2008, the Paying Agent shall furnish to each Person who at any time during the preceding calendar year was a Noteholder a statement prepared by the Issuer containing the information which is required to be contained in the Monthly Noteholders' Statements with respect to each Series of Notes aggregated for such calendar year or the applicable portion thereof during which such Person was a Noteholder, together with such other customary information (consistent with the treatment of the Notes as indebtedness) as the Issuer deems necessary or desirable to enable the Noteholders to prepare their tax returns (each such statement, an "Annual Noteholders' Tax Statement"). Such obligations of the Issuer to prepare and the Paying Agent to distribute the Annual Noteholders' Tax Statement shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Paying Agent pursuant to any requirements of the Code as from time to time in effect.

Section 12.3 Rule 144A Information. For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Co-Issuers agree to provide to any Noteholder or Note Owner and to any prospective purchaser of Notes designated by such Noteholder or Note Owner upon the request of such Noteholder or Note Owner or prospective purchaser, any information required to be provided to such holder or prospective purchaser to satisfy the conditions set forth in Rule 144A(d)(4) under the Securities Act.

Section 12.4 Reports, Financial Statements and Other Information to Noteholders. The Indenture Trustee will make the Monthly Servicer's Reports and the Monthly Noteholders' Statements available each month to Noteholders, Note Owners, each Insurer and the Ratings Agencies via the Indenture Trustee's internet website with the use of a password provided by the Indenture Trustee to the Noteholders, Note Owners, each Insurer and the Rating Agencies. The Indenture Trustee's website will initially be located at [www.CTSLink.com](http://www.CTSLink.com) or such other address as the Indenture Trustee notifies such parties from time to time. Assistance in using the website can be obtained by calling the Indenture Trustee's customer service desk at (301) 815-6600. The Indenture Trustee shall have no obligation to provide such information

described in this Section 12.4 until it has received the requisite information from the Co-Issuers or the Servicer. The Indenture Trustee will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefore. In connection with providing access to the Indenture Trustee’s Internet website, the Indenture Trustee may require registration and the acceptance of a disclaimer. The Indenture Trustee shall not be liable for the dissemination of information in accordance with this Indenture.

Section 12.5 Servicer. Pursuant to the Servicing Agreement, the Servicer has agreed to provide certain reports, instructions and other services on behalf of the Issuer and the Co-Issuer. The Noteholders by their acceptance of the Notes consent to the provision of such reports to the Indenture Trustee by the Servicer in lieu of the Issuer or the Co-Issuer. Any such reports that are required to be delivered to the Noteholders hereunder shall be delivered by the Indenture Trustee. The Indenture Trustee shall have no obligation whatsoever to verify, reconfirm or recalculate any information or material contained in any of the reports, financial statements or other information delivered to it pursuant to this Article XII or the Servicing Agreement. All distributions, allocations, remittances and payments to be made by the Indenture Trustee or the Paying Agent hereunder or under any Supplement or Variable Funding Note Purchase Agreement shall be made based solely upon the most recently delivered written reports and instructions provided to the Indenture Trustee or Paying Agent, as the case may be, by the Servicer (subject to Section 6.1(c)).

Section 12.6 Standard of Conduct. In exercising any of its or their voting rights, rights to direct and consent or any other rights as a Holder under this Indenture, subject to the terms and conditions of this Indenture, a Holder or Holders shall not have any obligation or duty to any Person or to consider or take into account the interests of any Person and shall not be liable to any Person for any action taken by it or them or at its or their direction or any failure by it or them to act or to direct that an action be taken, without regard to whether such action or inaction benefits or adversely affects any Holder, the Co-Issuers, or any other Person, except for any liability to which such Holder may be subject to the extent the same results from such Holder taking or directing an action or failing to take or direct an action, in bad faith or in violation of the express terms of this Indenture.

Section 12.7 Right to List of Holders. Any Holder shall have the right, upon five (5) Business Days’ prior notice to the Indenture Trustee, to obtain a complete list of Holders.

**ARTICLE XIII**

**HEDGE AGREEMENTS**

Section 13.1 Hedge Agreements. The Co-Issuers shall enter into a Series Hedge Agreement in connection with the issuance of any Series Notes as provided in the applicable Series Supplement. The Co-Issuers shall Grant its rights under each Series Hedge Agreement to the Indenture Trustee pursuant to the Granting Clauses hereof.

Section 13. Terms of Hedge Agreements Contained in Series Supplement. The Co-Issuers’ obligation to enter into and maintain any Series Hedge Agreement with respect to any Series of Notes, and the principal terms of each such Series Hedge Agreement, shall be as

provided in the applicable Series Supplement. Neither the Issuer nor the Co-Issuer shall enter into a Series Hedge Agreement in connection with any Series of Notes nor may any Hedge Counterparty be granted any third party beneficiary rights hereunder unless (i) the Series Hedge Agreement fully hedges all interest obligations in respect of such Series of Notes and (ii) the Aggregate Controlling Party has consented as to form and substance of the Series Hedge Agreement.

Section 13.3 **Hedge Counterparties.** Any hedge counterparty under a Series Hedge Agreement shall be required to satisfy the following rating requirements (the “Required Ratings”) at the time that the related Series Hedge Agreement is entered into:

- (i) if a Series Hedge Counterparty has only a long-term rating by Moody’s, such Series Hedge Counterparty will be required to have a long-term debt rating by Moody’s of at least “A1” (and, if such rating is “A1,” such Series Hedge Counterparty may not be on credit watch for a possible downgrade of such rating);
- (ii) if a Series Hedge Counterparty has both long-term and short-term ratings by Moody’s, such Series Hedge Counterparty will be required to have both (x) a long-term debt rating by Moody’s of at least “A2” (and, if such rating is “A2,” such rating is not on credit watch for a possible downgrade) and (y) a short-term debt rating by Moody’s of at least “P-2” (and, if such rating is “P-2,” such Series Hedge Counterparty is not on credit watch for a possible downgrade of such rating); and
- (iii) such Series Hedge Counterparty will be required to have a short-term debt rating by S&P of at least “A-1” or, if such Series Hedge Counterparty has no short-term rating by S&P, a long-term rating by S&P of at least “A+”.

If at any time after a Series Hedge Agreement is entered into, the applicable Series Hedge Counterparty fails to continue to have the Required Ratings with respect to Moody’s, but a Moody’s Second Trigger Event (as defined below) has not yet occurred, then such Series Hedge Counterparty shall be required, at its sole expense, within 30 Business Days following the applicable downgrade to:

- (i) post collateral in a segregated account in the amount specified in the relevant Series Hedge Agreement to secure the Series Hedge Counterparty’s obligations under such Series Hedge Agreement;
- (ii) obtain a guarantor that has a Required Rating with respect to Moody’s; or
- (iii) replace itself under the related Series Hedge Agreement with a substitute Series Hedge Counterparty that has the Required Ratings with respect to Moody’s or cause such substitute Series Hedge Counterparty to enter into a substantially equivalent Series Hedge Agreement with the Co-Issuers.

If at any time after a Series Hedge Agreement is entered into, the applicable Series Hedge Counterparty has either (A) no short-term Moody’s rating and a long-term Moody’s rating that is “Baa1” or below or that has been suspended or withdrawn or (B) both a short-term and long-term Moody’s rating and either (x) its long-term Moody’s rating is “A3” or below or is

suspended or withdrawn, or (y) its short-term Moody’s rating is “P-3” or below (such event, a “Moody’s Second Trigger Event”), then such Series Hedge Counterparty will be required to both (1) obtain a guarantor or replace itself in the manner described in the preceding clauses (ii) or (iii), as applicable and (2) in the interim, within 30 Business Days following the applicable downgrade, post collateral in a segregated account in the amount specified in the relevant Series Hedge Agreement to secure such Series Hedge Counterparty’s obligations under such Series Hedge Agreement.

If at any time after a Series Hedge Agreement is entered into, a Series Hedge Counterparty has a short-term debt rating by S&P below “A-1” or, if a Series Hedge Counterparty has no short-term rating by S&P, a long-term rating by S&P below “A+” or that has been suspended or withdrawn, then such Series Hedge Counterparty shall be required, at its sole expense, within 30 days, to either:

(i) post collateral in a segregated account as required by the relevant Series Hedge Agreement to secure such Series Hedge Counterparty’s obligations under the relevant Series Hedge Agreement, in an amount and of the type sufficient to cause the Rating Agency Condition with respect to S&P to be satisfied and provide an Opinion of Counsel as to the validity of the security interest in such posted collateral; or

(ii) (x) obtain a guarantor that has a Required Rating with respect to S&P and that will satisfy the Rating Agency Condition with respect to S&P with respect to its appointment; (y) replace itself under a substantially equivalent Series Hedge Agreement with a substitute Series Hedge Counterparty that has a Required Rating with respect to S&P and the appointment of which will satisfy the Rating Agency Condition with respect to S&P; or (z) take such other actions necessary to satisfy the Rating Agency Condition with respect to S&P.

If at any time the long-term S&P rating of a Series Hedge Counterparty is lowered to below “BBB-”, such Series Hedge Counterparty shall be required, at its sole expense, to immediately (but within no later than ten days) replace itself under the related Series Hedge Agreement with a substitute Series Hedge Counterparty that has a Required Ratings and the appointment of which will satisfy the Rating Agency Condition with respect to S&P or cause such substitute Series Hedge Counterparty to enter into a substantially equivalent Series Hedge Agreement with the Co-Issuers.

ARTICLE XIV

**RELEASE OF EXCLUDED ASSETS FROM TRUST ESTATE**

Section 14.1 Release of Excluded Assets from the Trust Estate. Upon payment of the applicable Defective Assets Damages Amount in accordance with the applicable Transaction Document and all other amounts (if any) required to be paid at such time thereunder relating to any Excluded Asset, or upon a Refranchising Asset Disposition, a Franchise Asset Termination or a Property Disposition, each in the ordinary course of business and otherwise in accordance with the Transaction Documents, the security interest granted to the Secured Parties under the Granting Clauses in such Collateral shall automatically terminate and such Collateral

shall be released from the Trust Estate; *provided*, that the Issuer may dispose of such Collateral only in accordance with the applicable Transaction Documents.

Section 14.2 Delivery of Documents by Indenture Trustee. The Indenture Trustee shall deliver any such documents as the Issuer or the Servicer shall reasonably request to evidence the termination of a security interest in an Excluded Asset or the release of an Excluded Asset from the Trust Estate.

**ARTICLE XV**

**MISCELLANEOUS**

Section 15.1 Form of Documents Delivered to Indenture Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate of an Authorized Officer of either of the Co-Issuers or an Opinion of Counsel may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such Authorized Officer or such Person giving such Opinion of Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or Opinion of Counsel is based are erroneous. Any such certificate of an Authorized Officer of either of the Co-Issuers (as applicable) or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, either of the Co-Issuers (as applicable), the Servicer or any other Person, stating that the information with respect to such factual matters is in the possession of the Issuer, the Servicer or such other Person, unless such Authorized Officer of either of the Co-Issuers (as applicable) or such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous. Any Opinion of Counsel may also be based insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an Authorized Officer of either of the Co-Issuers (as applicable) stating that the information with respect to such matters is in the possession of either of the Co-Issuers (as applicable) unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two (2) or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture it is *provided* that the absence of the occurrence and continuation of a Default or Event of Default is a condition precedent to the taking of any action by the Indenture Trustee at the request or direction of the Co-Issuers, then, notwithstanding that the satisfaction of such condition is a condition precedent to the Co-Issuers' rights to make such request or direction, the Indenture Trustee shall be protected in acting in accordance with such

request or direction if a Trust Officer does not have knowledge of the occurrence and continuation of such Default or Event of Default as provided in Section 6.1(d).

**Section 15.2 Acts of Holders.** (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by the Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee, and, where it is hereby expressly required, to the Co-Issuers. Such instrument or instruments (and the action or actions embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Indenture Trustee and the Co-Issuers, if made in the manner provided in this Section 15.2.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner which the Indenture Trustee deems sufficient.

(c) The principal amount and registered numbers of Notes held by any Person, and the date of such Person’s holding the same, shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note shall bind the Holder (and any transferee thereof) of such Note and of every Note issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Co-Issuers in reliance thereon, whether or not notation of such action is made upon such Note.

**Section 15.3 Notices, etc.** Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other documents provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

(a) the Indenture Trustee by any Holder, the Co-Issuers, the Servicer or by each Insurer shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to and mailed, by certified mail, return receipt requested, hand delivered, sent by overnight courier service guaranteeing next day delivery or by telecopy in legible form, to Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration, or at any other address previously furnished in writing to the Issuer, the Servicer, each Insurer or Holders by the Indenture Trustee;

(b) the Issuer by the Indenture Trustee, the Servicer, each Insurer or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class, postage prepaid, hand delivered, sent by overnight courier service or by telecopy in legible form, to IHOP Franchising, LLC, 450 North Brand



Boulevard, Glendale California 91203, or at any other address previously furnished in writing to the Indenture Trustee by the Issuer;

(c) the Co-Issuer by the Indenture Trustee, the Servicer, each Insurer or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first class, postage prepaid, hand delivered, sent by overnight courier service or by telecopy in legible form, to IHOP IP, LLC, 450 North Brand Boulevard, Glendale California 91203, or at any other address previously furnished in writing to the Indenture Trustee by the Co-Issuer;

(d) the Servicer by the Co-Issuers, the Indenture Trustee, each Insurer or by any Holder shall be sufficient for every purpose hereunder if in writing and mailed, first-class, postage prepaid, hand delivered, sent by overnight courier service or by telecopy in legible form, to International House of Pancakes, Inc., 450 North Brand Boulevard, Glendale California 91203, or at any other address previously furnished in writing to the Co-Issuers, the Indenture Trustee, each Insurer or the Initial Purchaser;

(e) Moody's, by the Co-Issuers, the Servicer or the Indenture Trustee, shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) to Moody's at Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, Attn: John Wikoff;

(f) S&P, by the Co-Issuers, the Servicer or the Indenture Trustee, shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) to S&P at Standard & Poor's Ratings Service, 55 Water Street, 42nd Floor, New York, NY 10041-0003, Attn: ABS Surveillance Group - New Assets (Servicer\_reports@sandp.com); or

(g) each Insurer, by the Co-Issuers, the Servicer or the Indenture Trustee shall be sufficient for every purpose hereunder (unless otherwise provided herein or in the Insurance Policy or the Insurance Agreement) if in writing and mailed, first-class, postage prepaid, hand delivered, sent by overnight courier service or by telecopy in legible form to such Insurer at the address specified in the applicable Series Supplement, or at any other address previously furnished in writing to the Co-Issuers, the Servicer or the Indenture Trustee by the Insurer.

Section 15.1 Notices to Holders; Waiver. Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of Notes of any event:

(a) such notice shall be sufficiently given to Holders of Notes if in writing and mailed, first-class, postage prepaid, to each Holder of a Note affected by such event, at the address of such Holder as it appears in the Note Register, not earlier than the earliest date and not later than the latest date, prescribed for the giving of such notice; and

(b) such notice shall be in the English language.

Notwithstanding clause (a) above, a Holder of Notes may give the Indenture Trustee a written notice that it is requesting that notices to it be given by facsimile transmissions and stating the telecopy number for such transmission. Thereafter, the Indenture Trustee shall give notices to such Holder by facsimile transmission; *provided* that if such notice also requests

that notices be given by mail, then such notice shall also be given by mail in accordance with clause (a) above.

The Indenture Trustee shall deliver to the Holders of the Notes any readily available information required hereunder or notice requested to be so delivered by at least 25% of the Holders of any Series of Notes.

Neither the failure to mail any notice, nor any defect in any notice so mailed, to any particular Holder of a Note shall affect the sufficiency of such notice with respect to other Holders of Notes.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Indenture Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In the event that, by reason of the suspension of the regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Holders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed to be a sufficient giving of such notice.

Section 15.5 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 15.6 Successors and Assigns. All covenants and agreements in this Indenture by the each of the Co-Issuers shall bind its successors and assigns, whether so expressed or not. Any assignment of this Indenture without the written consent of each Series Controlling Party shall be null and void.

Section 15.7 No Bankruptcy Petition Against the Securitization Entities. Each of the Noteholders, the Indenture Trustee and the other Secured Parties hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of the latest maturing Note, it will not institute against, or join with any other Person in instituting against, any Securitization Entity any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any Insolvency Law; *provided, however*, that nothing in this Section 15.7 shall constitute a waiver of any right to indemnification, reimbursement or other payment from the Securitization Entities pursuant to the Indenture or any other Transaction Document; *provided, further*, that each Insurer, each Noteholder, the Indenture Trustee and other Secured Parties may become a party to and participate in any Proceeding under Insolvency Law applicable to any Securitization Entity that is initiated by any person that is not an Affiliate of such Secured Party. In the event that any such Noteholder or Secured Party or the Indenture Trustee takes action in violation of this Section 15.7, each affected Securitization Entity shall file or cause to be filed an answer with the bankruptcy court or otherwise properly contesting the filing of such a petition by any such Noteholder or Secured Party or the Trustee against such

Securitization Entity or the commencement of such action and raising the defense that such Noteholder or Secured Party or the Indenture Trustee has agreed in writing not to take such action and should be estopped and precluded therefrom and such other defenses, if any, as its counsel advises that it may assert. The provisions of this Section 15.7 shall survive the termination of the Indenture and the resignation or removal of the Indenture Trustee. Nothing contained herein shall preclude participation by any Noteholder or any other Secured Party or the Indenture Trustee in the assertion or defense of its claims in any such proceeding involving any Securitization Entity.

**Section 15.8 Confidential Information.** Each of the parties hereto acknowledges that during the Term of the Indenture such party may receive Confidential Information from another party hereto. Each such party agrees to maintain the Confidential Information in the strictest of confidence and will not, at any time, except as otherwise provided in the Transaction Documents, use, disseminate or disclose any Confidential Information to any person or entity other than those of its employees or representatives who have a “need to know”, who have been apprised of this restriction. Recipient shall be liable for any breach of this Section 15.7 by any of its employees or representatives and shall immediately notify Discloser in the event of any loss or disclosure of any Confidential Information of Discloser. Upon termination of this Indenture, Recipient will return to Discloser, or at Discloser’s request, destroy, all documents and records in its possession containing the Confidential Information of Discloser. Confidential Information shall not include information that: (i) is already known to Recipient without restriction on use or disclosure prior to receipt of such information from Discloser; (ii) is or becomes part of the public domain other than by breach of this Agreement by, or other wrongful act of, Recipient; (iii) is developed by Recipient independently of and without reference to any Confidential Information; (iv) is received by Recipient from a third party who is not under any obligation to Discloser to maintain the confidentiality of such information; or (v) is required to be disclosed by applicable law, statute, rule, regulation, subpoena, court order or legal process; *provided* that the Recipient shall promptly inform the Discloser of any such requirement and cooperate with any attempt by the Discloser to obtain a protective order or other similar treatment. It shall be the obligation of Recipient to prove that such an exception to the definition of Confidential Information exists.

**Section 15.9 Separability.** In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 15.10 Benefits of Indenture.** Nothing in this Indenture or in the Notes, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the Servicer and the Secured Parties any benefit or any legal or equitable right, remedy or claim under this Indenture. Each Insurer is an express third party beneficiary of this Indenture entitled to enforce the provisions hereof as if a party hereto.

**Section 15.11 Legal Holidays.** In the event that the date of any Payment Date or Redemption Date shall not be a Business Day, then, notwithstanding any other provision of the Notes or this Indenture, payment need not be made on such date, but may be made on the next Business Day with the same force and effect as if made on the nominal date of any such Payment Date or Redemption Date, as the case may be. With respect to the Notes, interest shall accrue on

any such payment for the period from and after any such nominal date at the rate applicable to each Series of Notes.

Section 15.12 Governing Law. THIS INDENTURE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 15.13 Submission to Jurisdiction. The Issuer, Co-Issuer and Indenture Trustee hereby, and each Insurer by its execution of a Series Supplement irrevocably submit to the nonexclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan in The City of New York in any action or proceeding arising out of or relating to the Notes or this Indenture, and the Issuer, Co-Issuer and Indenture Trustee hereby, and each Insurer by each Insurer by its execution of a Series Supplement irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such New York State or federal court. The Issuer, Co-Issuer and Indenture Trustee hereby, and each Insurer by each Insurer by its execution of a Series Supplement irrevocably waive, to the fullest extent that they may legally do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Issuer and Co-Issuer each irrevocably consents to the service of any and all process in any action or proceeding by the mailing or delivery of copies of such process to it at the office of its Delaware registered agent. The Issuer, Co-Issuer, Indenture Trustee and each Insurer agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 15.14 Counterparts. This instrument and any Series Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

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mentioned. IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above

IHOP FRANCHISING, LLC, as Issuer

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

IHOP IP, LLC, as Co-Issuer

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /s/ BENJAMIN J. KRUEGER  
Name: Benjamin J. Krueger  
Title: Vice President

## APPENDIX A

### DEFINITIONS

“Account Control Agreement”: Account Control Agreement (Indenture Trust Accounts) or Account Control Agreement (Other Accounts).

“Account Control Agreement (Indenture Trust Accounts)”: The Account Control Agreement, dated as of the date hereof, among the Issuer, the Indenture Trustee and the financial institution named therein, relating to the various Indenture Trust Accounts.

“Account Control Agreement (Other Accounts)”: The Lock-Box and Account Control Agreement, dated as of the date hereof, among the Issuer, the Lock-Box Bank, the Indenture Trustee, the Servicer and the Back-Up Servicer, relating to the Lock-Box Account, Advertising Funds Account, the Lease and Reimbursement Payment Account and the Residual Account.

“Accountant’s Certificate”: A certificate of a firm of Independent certified public accountants of national reputation in form and substance acceptable to the Indenture Trustee confirming the calculation provided for in Section 3.1(h).

“Accountants’ Report”: A report of a firm of Independent certified public accountants of national reputation, which may be the firm of Independent accountants that performs certain accounting services for the Issuer and any of its Affiliates.

“Accounting Date”: With respect to any Payment Date, the second Business Day preceding such Payment Date.

“Accounting Quarter”: Each consecutive quarterly period consisting of thirteen (13) (or, with respect to the final quarterly period of each seventh calendar year, fourteen (14)) consecutive Weekly Collections Allocation Periods, commencing in December or January and ending in December or January of each calendar year.

“Act”: The meaning specified in Section 15.2.

“Additional Notes”: Any Notes issued after the Closing Date.

“Additional Issuance Series DSCR Threshold”: With respect to any Series of Notes, as set forth in the applicable Series Supplement.

“Additional Securitization Entity”: Any subsidiary (direct or otherwise) of the Issuer or other Securitization Entity formed after the Closing Date.

“Adjusted Collections”: In respect of each Monthly Collection Period, the *product* of (a) the *quotient* of three hundred and sixty five (365) *divided by* twelve (12) and (b) the *quotient* of (i) the *difference* between (A) all Collections received by the Issuer during such Monthly Collection Period *minus* the Defective Asset Damages Amount Payments and (B) the *sum* of all amounts allocated or paid in accordance with Section 10.9(a)(I)(A),

Section 10.9(a)(I)(C), Section 10.9(a)(I)(D), Section 10.9(a)(I)(E), Section 10.9(a)(II), Section 10.9(c), Section 10.9(d) and Section 10.9(e) divided by (ii) the actual number of calendar days elapsed during such Monthly Collection Period.

“Adjusted IHOP Corp. Consolidated Leverage Condition”: Either (A) (i) the Issuance Date is before the Payment Date occurring in September 2007; (ii) the Issuance Date is on or after the Payment Date occurring in September 2007 but before the Payment Date occurring in March 2008 and at least 50% of the Type 2 Property Leases categorized as such on the Closing Date have been re-categorized as Type 1 Property Leases; (iii) the Issuance Date is on or after the Payment Date occurring in March 2008 but before the Payment Date occurring in September 2008 and at least 80% of Type 2 Property Leases categorized as such on the Closing Date have been re-categorized as Type 1 Property Leases; or (iv) the Issuance Date is on or after the Payment Date occurring in September 2008 and at least 90% of the Type 2 Property Leases categorized as such on the Closing Date have been re-categorized as Type 1 Property Leases; or (B) the Adjusted IHOP Corp. Consolidated Leverage Condition Amount is less than or equal to the Aggregate Outstanding Principal Amount giving effect to the proposed issuance of Notes (assuming in such determination that any variable funding note Outstanding is fully drawn).

“Adjusted IHOP Corp. Consolidated Leverage Condition Amount”: As relating to any Payment Date or any other date, as determined on the immediately preceding Accounting Date, the *product* of (A) the hypothetical amount of aggregate Debt of IHOP Corp. and all of its Affiliates which would cause the IHOP Corp. Consolidated Leverage Ratio to equal the Series IHOP Corp. Consolidated Leverage Ratio Threshold and (B) the *quotient* of (i) the total number of Restaurants subject to Type 1 Property Leases and (ii) the total number of Restaurants.

“Advertising Fees”: Franchise Advertising Fees and License Advertising Fees.

“Advertising Funds Account”: The account at the Lock-Box Bank designated as the “Advertising Funds Account” established pursuant to the Account Control Agreement (Other Accounts) among the Issuer, the Indenture Trustee, the Servicer, the Back-Up Servicer and the Lock-Box Bank or any successor commercial bank as set forth in Section 10.2.

“Advertising Funds”: Advertising Fees collected from Franchisees and Area Licensees.

“Affiliate” or “Affiliated”: With respect to any specified Person, any other Person that, directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or other beneficial interest, by contract or otherwise; and the terms “controlling” and “controlled” have the meanings correlative to the meaning of “control.”

“After-Acquired IP Assets”: (a) Any variations on, and applications and registrations for, the IHOP Brand not in existence as of the Closing Date and (b) any Intellectual Property, worldwide, that is created, developed or acquired by the Issuer, IHOP Corp., the Servicer, IHOP Holdings or any other Securitization Entity or any Affiliate of the foregoing after

the date hereof and during the term of the IP License Agreement that (i) relates to any business, products or services offered under the IHOP Brand or (ii) is based on or derivative of the IP Assets.

“Agent Members”: Members of, or participants in, DTC.

“Aggregate Controlling Party”: A Majority of all Senior Series of Notes Outstanding or, if no Senior Series of Notes is Outstanding, a majority of all Senior Subordinated Series of Notes Outstanding, or, if no Senior Series of Notes or Senior Subordinated Series of Notes is Outstanding, a majority of all Subordinated Notes Outstanding; *provided* that in determining such Majority with respect to any Series of Notes for which an Insurer is the Series Controlling Party such Insurer shall be entitled to vote the entire Aggregate Outstanding Principal Amount relating to such Series of Notes unless otherwise provided in the applicable Series Supplement; *provided, further*, that for any variable funding Series of Notes, the Aggregate Outstanding Principal Amount, for purposes of this definition, shall include the drawn amount and the undrawn amount of the maximum possible Aggregate Outstanding Principal Amount.

“Aggregate Controlling Party Order”: A written order or request signed on behalf of the Aggregate Controlling Party.

“Aggregate Outstanding Principal Amount”: With respect to any Series of Notes or otherwise, the aggregate principal amount Outstanding at the date of determination.

“Annual Noteholders’ Tax Statement”: The meaning specified in Section 12.2.

“Area License Agreements”: Collectively, Existing Area License Agreements and New Area License Agreements.

“Area Licensees”: Any Person who is a licensee under an Area License Agreement.

“Asset Contribution Agreements”: Collectively, (i) the Asset Contribution Agreement (the “IP Asset Contribution Agreement”), dated as of the date hereof, between the Issuer and the Co-Issuer, (ii) the Asset Contribution Agreement (the “Property Leasing II Asset Contribution Agreement”), dated as of the date hereof, between IHOP Inc. and IHOP Property Leasing II, Inc., (iii) the Asset Contribution Agreement (the “IHOP Realty Asset Contribution Agreement”), dated as of the date hereof, between IHOP Inc. and IHOP Properties, Inc. and (iv) the Asset Contribution Agreement (the “Properties Asset Contribution Agreement”), dated as of the date hereof, among IHOP Inc., IHOP Property Leasing, Inc. and IHOP Corp.

“Asset Sale Agreements”: Collectively, (i) the Asset Sale Agreement (“Parent Asset Sale Agreement”), dated as of the date hereof, between IHOP Inc. and IHOP Holdings, (ii) the Asset Sale Agreement (“IHOP Holdings Asset Sale Agreement”), dated as of the date hereof, between IHOP Holdings and the Issuer, (iii) the Asset Sale Agreement (“Owned Real Property Asset Sale Agreement”), dated as of the date hereof, between IHOP Holdings and IHOP Real Estate, (iv) the Asset Sale Agreement (“Type 1 Property Lease Asset Sale Agreement”), dated as of the date hereof, among IHOP Properties, IHOP Realty, LLC and IHOP Property Leasing, Inc.,



(v) the Asset Sale Agreement (the “IHOP Realty Type 2 Asset Sale Agreement”), dated as of the date hereof, between IHOP Realty and IHOP Properties, Inc., (vi) the Asset Sale Agreement (“Modified Type 2 Lease Asset Sale Agreement”), dated as of the date hereof, between IHOP Properties, LLC and IHOP Property Leasing, Inc., and (vii) the Asset Sale Agreement (“Lease Subsequent Asset Sale Agreement”), dated as of the date hereof, among IHOP Inc., IHOP Property Leasing II, LLC, IHOP Property Leasing, LLC, IHOP Properties, LLC and IHOP Corp.

“Asset Transfer Agreements”: Collectively, the Asset Sale Agreements and the Asset Contribution Agreements.

“Assignments of Rents”: Collectively, the IHOP Property Leasing Assignments of Rents and the IHOP Real Estate Assignments of Rents.

“Authenticating Agent”: With respect to the Notes or a Series of Notes, the Person designated by the Indenture Trustee to authenticate such Notes on behalf of the Indenture Trustee pursuant to Section 6.14 hereof.

“Authorized Minimum Denominations”: The minimum denominations in which each Series of Notes shall be issuable under this Indenture and transferable, which shall be \$200,000 and integral multiples of \$1,000 in excess thereof.

“Authorized Officer”: With respect to either of the Co-Issuers, any Officer (or attorney-in-fact appointed by either of the Co-Issuers) who is authorized to act for either of the Co-Issuers, respectively, in matters relating to, and binding either of the Co-Issuers, respectively. With respect to the Servicer, the Chief Executive Officer, Chief Financial Officer, Treasurer, Directors, Comptroller, the General Counsel or the Director of Finance or any other Officer of the Servicer who is directly responsible for managing the servicing of the relevant Franchise Asset or for administering the transactions relevant to such event or otherwise authorized to act for the Servicer in matters relating to, and binding upon, the Servicer with respect to the subject matter of the request, certificate or order in question. With respect to the Indenture Trustee or any other bank or trust company acting as trustee of an express trust or as custodian, a Trust Officer. Each party may receive and accept a certification of the authority of any other party as conclusive evidence of the authority of any person to act, and such certification may be considered as in full force and effect until receipt by such other party of written notice to the contrary.

“Back-Up Servicer”: FTI Consulting Inc., in its capacity as back up servicer pursuant to the Back Up Servicing Agreement, and any successor back up servicer.

“Back-Up Servicing Agreement”: The Back-Up Servicing Agreement, dated as of the date hereof, among the Co-Issuers, IHOP Property Leasing, IHOP Properties, IHOP Real Estate, the Servicer, the Indenture Trustee and the Back-Up Servicer.

“Bankruptcy Code”: The federal Bankruptcy Code, Title 11 of the United States Code, as amended.

“Breach”: The meaning specified in Section 5.1(a)(xii).

“Business Day”: Any day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments in each of The City of New York and any other city in which the Corporate Trust Office of the Indenture Trustee is located and in the case of the final payment of principal of any Note, the place of presentation of such Note.

“Calculation Agent”: The meaning specified in Section 7.10(a).

“Capped Operating Expense Allocation Amount”: For any Weekly Allocation Date that occurs either (x) during each annual period beginning on the Closing Date and ending on the first anniversary of the Closing Date, and (y) each annual period beginning with the annual period following the first anniversary of the Closing Date, the *lesser* of (i) the Operating Expense Allocation Amount and (ii) the amount by which \$500,000 (or \$650,000 following the occurrence of an Event of Default) exceeds the aggregate Operating Expenses already paid during such annual period; *provided, however* that prior to the occurrence of an Event of Default, up to \$85,000 of the Capped Operating Expense Allocation Amount shall be allocated to the Indenture Trustee Fees; *provided, further* that following the occurrence of an Event of Default, up to \$235,000 of the Capped Operating Expense Allocation Amount shall be allocated to the Indenture Trustee Fees.

“Cash”: Such coin or currency of the United States of America as at the time shall be legal tender for payment of all public and private debts.

“Certificate of Authentication”: The meaning specified in Section 2.1.

“Clearing Agency”: An organization registered as a “clearing agency” pursuant to Section 17A of the Exchange Act.

“Clearstream”: Clearstream Banking, *société anonyme*, a corporation organized under the laws of the Grand Duchy of Luxembourg.

“Closing Date”: March 16, 2007.

“Code”: The Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time, and any successor statute of similar import, in each case as in effect from time to time, and references to sections of the Code also refer to any successor sections.

“Co-Indenture Trustee”: The meaning specified in Section 6.11.

“Co-Issuer Certificate of Formation”: The Certificate of Formation of the Co-Issuer, dated November 22, 2006, as amended, modified or supplemented from time to time.

“Co-Issuer Limited Liability Company Agreement”: The Limited Liability Company Agreement of the Co-Issuer, dated as of the date hereof, as amended, modified or supplemented from time to time.

“Collateral”: The meaning specified in the Granting Clauses of this Indenture.

“Collections Account”: The trust account (account no. 21499501) established pursuant to Section 10.2.

“Collections”: With respect to any period, all amounts received by or for the account of the Issuer or the Co-Issuer during such period, including without limitation, (i) Franchise Payments, License Payments, Development Payments, IHOP Operated Restaurant Sub-licensing Fees, Lease Payments, Equipment Lease Payments, Franchisee Note Payments and Franchisee Insurance Proceeds, *plus* (ii) Investment Income (net of losses and expenses) earned, *plus* (iii) Series Hedge Agreement Receipts, *plus* (iv) Defective Asset Damages Amount Payments, *plus* (v) Credit Agreement Payments, *plus* (vi) any dividends received from IHOP Property Leasing, IHOP Properties and IHOP Real Estate; *plus* (vii) any other amounts payable to or for the account of the Issuer or the Co-Issuer in connection with any Licensed Business or otherwise received by the Issuer or the Co-Issuer; *provided that* Collections will not include Excluded Amounts; *provided, further*, Collections shall also include the Pre-Closing Net Collections Payment made by the Servicer to the Issuer within one Business Day of the Closing Date pursuant to the Servicing Agreement.

“Company Order” and “Company Request”: A written order or request, as the case may be, dated and signed in the name of each of the Co-Issuers by an Authorized Officer of each of the Co-Issuers, or by an Authorized Officer of the Servicer pursuant to the Servicing Agreement.

“Competitor”: Any Person that is a direct or indirect franchisor, franchisee, licensee, owner or operator of a large regional or national family restaurant serving the ‘breakfast daypart’ (as such term is commonly used in the restaurant industry), including but not limited to a Franchisee or Area Licensee; provided, however, that a Person shall not be a Competitor solely by virtue of its direct or indirect ownership of less than five (5) percent of the equity interests in a “Competitor”; provided, further that a franchisee or a licensee shall only be a “Competitor” if it, or its Affiliates, directly or indirectly owns, franchise or licenses in the aggregate ten or more individual locations of a particular concept.

“Confidential Information”: Trade secrets and other information (including know how, ideas, techniques, customer lists, customer information, business methods and processes, marketing plans, specifications, and other similar information) that is confidential and proprietary to its owner and that is disclosed by one party hereto (the “Discloser”) to another party hereto (the “Recipient”) in writing or other tangible form and designated as confidential, or, if disclosed orally, is identified as confidential and is confirmed in writing thereafter.

“Consolidated Net Income”: With respect to any Person for any period, the net income of such Person and its subsidiaries (whether positive or negative), determined in accordance with GAAP, for that period.

“Consolidated Net Interest Expense”: With respect to any Person for any period, total interest expense, whether paid or accrued (including the interest component of capital leases), of such Person and its subsidiaries, including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and net costs under interest rate contracts and foreign exchange contracts, and amortization of discount, but

excluding interest expense not payable in cash (including interest accruing on deferred compensation obligations) other than amortization of discount, all as determined in conformity with GAAP.

“Contributed Asset Purchase Funds”: Funds received by the Issuer specifically designated for the acquisition by the applicable Securitization Entity of Converted Type 3 Assets or Franchise Assets after the Closing Date in accordance with the applicable Transaction Documents.

“Contributed Optional Redemption Amount Funds”: The meaning specified in Section 9.2(a).

“Controlled Group”: With respect to any Person, such Person, whether or not incorporated, and any corporation, trade, business, organization or other entity that is, along with such Person, treated as a single employer under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(a)(14) of ERISA.

“Converted Type 3 Assets”: Any Type 3 Assets relating to Converted Type 3 IHOP Restaurants.

“Converted Type 3 IHOP Restaurant”: Any IHOP Restaurant identified by IHOP Inc. from time to time after the Closing Date, that was a Type 3 IHOP Restaurant as of the Closing Date, and as to which the related Type 3 Assets has become eligible for inclusion in the Securitization Transaction.

“Copyrights”: The meaning specified in the definition of Intellectual Property.

“Corporate Trust Office”: The principal corporate trust office of the Indenture Trustee, currently located at Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration, or such other address as the Indenture Trustee may designate from time to time by notice to the Holders, each Insurer (if such Insurer is then a Series Controlling Party in relation to a Series of Notes), each Rating Agency and the Co-Issuers or the principal corporate trust office of any successor Indenture Trustee.

“Credit Agreement Notes” Collectively, (1) the note relating to the Type 1 Property Lease Credit Agreement, dated as of the Closing Date and (2) the note relating to the Owned Real Property Credit Agreement, dated as of the Closing Date, each as may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Credit Agreement Payments”: All monies whether characterized as interest, principal or otherwise received by or for the account of the Issuer after the Cut-off Date pursuant to the Credit Agreements.

“Credit Agreements”: Collectively, the Type 1 Property Lease Credit Agreement and the Owned Real Property Credit Agreement.

“Cumulative Debt Service Coverage Ratio”: As relating to any Payment Date or any other date, as determined as of the immediately preceding Accounting Date, the *quotient* of (A) Adjusted Collections for the Monthly Collection Periods preceding such Accounting Date and the prior two (2) Accounting Dates *divided by* (B) the *sum* of all Series Debt Service to be paid on the current Payment Date and all Series Debt Service payable on the immediately preceding two (2) Payment Dates; *provided, however* that with respect to any Accounting Date prior to the third Accounting Date after the Closing Date, the Cumulative Debt Service Coverage Ratio shall be the *product* of three (3) *multiplied* by the average of such quotient calculated in respect of the first one or two (as applicable) Monthly Collection Period(s).

“Cut-Off Date”: The Closing Date.

“Debt”: As applied to any Person, means, without duplication, (a) all indebtedness for borrowed money in any form, including derivatives, (b) that portion of obligations with respect to any lease of any property (whether real, personal or mixed) that is properly classified as a liability on a balance sheet in conformity with GAAP, including all capitalized lease obligations incurred by such Person, (c) notes payable, (d) any obligation owed for all or any part of the deferred purchase price for property or services, which purchase price is (i) due more than six months from the date of the incurrence of the obligation in respect thereof or (ii) evidenced by a note or similar written instrument (other than an earn out obligation until such obligation becomes a liability on the balance sheet of such Person under GAAP), (e) all indebtedness secured by any Lien on any property or asset owned by that Person or is nonrecourse to the credit of that Person and (f) all contingent obligations of such Person in respect of the foregoing. Notwithstanding the foregoing, Debt shall not include any liability for federal, state, local or other Taxes owed or owing to any governmental entity.

“Default”: With respect to the Notes, any Event of Default or any occurrence that with notice or the lapse of time or both would become an Event of Default.

“Defective Asset Damages Amount Payments”: With respect to any Weekly Collections Allocation Period, payments paid to the Issuer in the amount specified in Section 2.7(b) of the Servicing Agreement or 6.5 of Annex A to any Asset Sale Agreement payable according to the provisions thereof.

“Defective Asset Payment Series DSCR Threshold”: With respect to any Series of Notes, as specified in the applicable Series Supplement.

“Definitive Note”: The meaning specified in Section 2.2(c).

“Development Agreements”: Collectively, the Single Store Development Agreements and Multi-Store Development Agreements.

“Development Payments”: Payments relating to all of the Issuer’s rights to receive payments under the Development Agreements including, without limitations, (i) the location fees receivable from franchisees under Single Store Development Agreements and (ii) development fees receivable from franchisees under the Multi-Store Development Agreements.

“Discloser”: The meaning set forth in the definition of Confidential Information.

“Disqualified Transferee”: The meaning specified in Section 2.5(l).

“Distribution Compliance Period”: With respect to the issuance of securities, the period of time until and including the 40th day after the later of (i) the commencement of the distribution thereof and (ii) the Closing Date.

“Distribution Payments”: Payments received from distributors of food products used in restaurants in connection with the sales of Proprietary Products to Franchisees.

“Dollar” or “\$” or “U.S.\$”: A dollar or other equivalent unit in such coin or currency of the United States of America that, at the time shall be legal tender for all debts, public and private.

“DTC”: The Depository Trust Company, its nominees, and their respective successors.

“EBITDA”: With respect to any Person for any period, the difference between (1) sum of (A) Consolidated Net Income of such Person and its subsidiaries for such period, and (B) to the extent any of the following are deducted in calculating such Consolidated Net Income: (i) Consolidated Net Interest Expense for such period, (ii) federal, state, local and foreign income taxes payable for such period, (iii) non-cash losses from the sale of fixed assets not in the ordinary course of business and other non-cash extraordinary or non-cash nonrecurring items, (iv) non-cash stock based compensation expense for such period, (v) depreciation and amortization as accounted for under GAAP, and (vi) impairment losses on assets incurred during such period; and (2) to the extent added in calculating such Consolidated Net Income, gains from the sale of fixed assets not in the ordinary course of business and other extraordinary or nonrecurring items.

“EBITDAR”: For each Payment Date, or any other date, as determined as of the immediately preceding Accounting Date, the *sum* of (A) EBITDA for each of the last 12 calendar months, and (B) the IHOP Corp. Operating Lease Payments for each of the last calendar 12 months.

“Eligible Investments”: The investments listed in Schedule 2.

“Entitlement Holder”: The meaning specified in Section 8-102(a)(7) of the UCC.

“Environmental Law”: Any and all laws, rules, order, regulations, statutes, ordinances, guidelines, codes, decrees, agreements or other legally enforceable requirements (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment or of human health, or employee health and safety, as has been, is now, or may at any time hereafter be, in effect.

“Environmental Permits”: Any and all permits, licenses, approvals, registrations, notifications, exemptions and other authorizations required under any Environmental Law.

Supplement. “EoD Series DSCR Threshold”: With respect to any Series of Notes, as specified in the applicable Series Supplement.

“Equipment Lease Payments”: Payments received by or for the account of the Issuer after the Cut-Off Date pursuant to the Equipment Leases and Payments of Principal and Interest received by or for the account of the Issuer after the Cut-Off Date pursuant to the related lease notes.

“Equipment Leases”: Collectively, the Existing Equipment Leases and New Equipment Leases, along with the residual interest, if any, in the related equipment and the security interest in such equipment.

“ERISA”: The Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, in each case as in effect from time to time, and references to sections of ERISA also refer to any successor sections.

“Euroclear”: Euroclear Bank S.A./N.V., as operator of the Euroclear system.

“Event of Bankruptcy”: An event which shall be deemed to have occurred with respect to any Person if:

(a) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or any substantial part of its assets, or any similar action with respect to such Person under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of sixty (60) consecutive days; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy laws or other similar laws now or hereafter in effect; or

(b) such Person shall commence a voluntary case or other proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such Person or for any substantial part of its property, or shall make any general assignment for the benefit of creditors; or

(c) the board of directors or board of managers (or similar body) of such Person shall vote to implement any of the actions set forth in clause (b) above.

“Event of Default”: The meaning specified in Section 5.1.

“Exchange Act”: The United States Securities Exchange Act of 1934, as amended.

Payments.                   “Excluded Amounts”: Advertising Funds, Franchisee Insurance Restoration Receipts and Type 2 Franchisee

                                  “Excluded Asset”: Any Defective New Assets and Defective Existing Assets as defined in the Servicing Agreement for purposes of Section 2.7(b) of the Servicing Agreement, upon payment of the applicable Defective Assets Damages Amount, and all other amounts, if any, required to be paid at such time under the applicable Transaction Document.

                                  “Existing Area License Agreements”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Equipment Leases”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Franchise Agreements”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Franchisee Leases”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Franchisee Notes”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Franchisee Subleases”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Multi-Store Development Agreements”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Product Sourcing Agreements”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Property Lease”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Single Store Development Agreements”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Type 1 Franchisee Sublease”: The meaning specified in the Parent Asset Sale Agreement.

                                  “Existing Type 2 Property Lease”: The meaning specified in the Parent Asset Sale Agreement.

10.6.                       “Fee Payment Account”: With respect to each Series of Notes, the trust account established pursuant to Section

                                  “Final Order”: The meaning specified in the applicable Insurance Policy.



“Financing Statements”: Financing statements relating to the Collateral naming the Issuer or Co-Issuer (as applicable) as debtor and the Indenture Trustee on behalf of the Secured Parties as the secured party.

“Foreign/Type 3 IP License Agreement”: The Intellectual Property License Agreement (Foreign/Type 3), dated as of the date hereof, between IHOP Inc. and the IP Company, as amended, modified or supplemented from time to time.

“Franchise Advertising Fees”: Weekly advertising fees, consisting of fees due to the Issuer under the Franchise Agreements relating to advertising, promotions and other marketing activities.

“Franchise Agreements”: Collectively, the Existing Franchise Agreements and New Franchise Agreements.

“Franchise Assets”: The meaning specified in the Granting Clauses.

“Franchise Asset Termination”: The expiration of any Franchise Asset in the ordinary course of business.

“Franchise Documents”: All Franchise Agreements, Area License Agreements, Development Agreements, Franchise Notes, Equipment Leases, Property Leases, Franchisee Leases, Franchisee Subleases, Product Sourcing Agreements and other agreements to which the Former Franchisor or its Affiliates, the Issuer and/or a Franchisee or Area Licensee is a party in connection with the franchise system, together with any modifications, amendments, extensions or replacements of the foregoing.

“Franchisee”: Any Person who is a franchisee under a Franchise Agreement.

“Franchisee Insurance Policy”: Any insurance policy or policies required to be maintained by a Franchisee or Area Licensee for the benefit of the Issuer or any of its Affiliates, whether direct or indirect and whether or not the Issuer or any of its Affiliates is an additional insured, pursuant to the Franchise Agreements and/or Area License Agreements.

“Franchisee Insurance Proceeds”: Any amounts paid upon settlement of a claim filed under a Franchisee Insurance Policy, net of direct fees, out of pocket costs and disbursements incurred in connection with the collection thereof.

“Franchisee Insurance Proceeds Account”: The trust account (account no. 21499502) established pursuant to Section 10.2.

“Franchisee Insurance Restoration Payment Allocation Amount”: Franchisee Insurance Proceeds received by the Issuer since the previous Weekly Allocation Date that in the Servicer’s reasonable business judgment will be used for the physical restoration of destroyed or damaged property or is otherwise owed to the relevant lessee in accordance with the Franchisee Insurance Policy.

“Franchisee Insurance Restoration Payments”: Payments to service providers or lessees (as applicable) pursuant to the applicable agreement relating to the restoration or compensation for (as applicable) destroyed or damaged property.

“Franchisee Insurance Restoration Receipts”: Funds received from insurance providers relating to the restoration of or compensation for (as applicable) destroyed or damaged property in accordance with the relevant Franchisee Insurance Policy.

“Franchisee Leases”: Collectively, Existing Franchisee Leases and New Franchisee Leases.

“Franchisee Note Payments”: Payments of principal and interest by Franchisees to the Issuer pursuant to the Franchisee Notes.

“Franchisee Notes”: Collectively, the Existing Franchisee Notes and New Franchisee Notes.

“Franchise Fees”: The meaning specified in the definition of Franchise Payments.

“Franchise Payments”: All of the franchise payments received by or for the account of the Issuer after the Cut-Off Date, including all of the Issuer’s rights to receive payments under the Franchise Agreements, including, without limitation, (i) the initial franchise fees under Franchise Agreements (the “Franchise Fees”), (ii) the Weekly franchise royalty fees, consisting of royalty payments due the Issuer pursuant to the Franchise Agreements (the “Franchise Royalties”), and (iii) the fees relating to the transfer or renewal of a franchise (the “Franchise Transfer/Renewal Fees”) and (v) interest on late payments; *provided, however*, that Franchise Advertising Fees shall not constitute a Franchise Payment. Franchise Fees are payable by a franchisee solely upon the signing of the Franchise Agreement and may be subject to reduction against any payment of location fee or development fee under the applicable Development Agreement and previous deposits made by the franchisee with respect to any of the foregoing.

“Franchise Royalties”: The meaning specified in the definition of Franchise Payments.

“Franchise Royalty Rate”: A fixed percentage of the gross revenues as determined under the applicable Franchise Agreement of a Franchisee’s IHOP Franchised Restaurant.

“Franchise Transfer/Renewal Fees”: The meaning specified in the definition of Franchise Payments.

“Franchisor”: The Issuer in its capacity as the franchisor under the Franchise Agreements.

“GAAP”: Generally accepted accounting principles in the United States.

“Global Notes”: The meaning specified in Section 2.2(d).

“Grant”: To grant, hypothecate, mortgage, pledge, create and grant a security interest in and right of set off against, deposit, set over and confirm. A Grant of the Collateral (including the Franchise Assets or any other agreement, security or instrument) shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including without limitation the immediate continuing right to claim for, collect, receive and receipt for principal, interest and fee payments in respect of the Collateral (including the Franchise Assets or any other agreement, security or instrument), and all other Cash payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the granting party or otherwise, and generally to do and receive anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

“Hedge Agreement Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, an amount equal to one-third of the Series Hedge Agreement Payment Amount that will be payable on the immediately succeeding Payment Date as determined by the Servicer in its business judgment and any such amount due for allocation but not allocated on previous Weekly Allocation Dates. With respect to the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Hedge Agreement Payment Amount that will be payable on next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods.

“Hedge Agreement Termination Payment Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, an amount equal to one-third of the Series Hedge Agreement Termination Payment Amount that will be payable on the immediately succeeding Payment Date as determined by the Servicer in its business judgment and any such amount due for allocation but not allocated on previous Weekly Allocation Dates. With respect to the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Hedge Agreement Termination Payment Amount that will be payable on next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods.

“Hedge Counterparty”: The counterparty to the Co-Issuers with respect to any Series Hedge Agreement.

“Hedge Agreement Expense Payment Account”: The trust account established and specified as such pursuant to Section 10.4.

“Hedge Guarantor”: Any Person that absolutely, unconditionally and irrevocably guarantees the obligations of any Hedge Counterparty under a Series Hedge Agreement.

“Holder”: With respect to any Note, the Person in whose name such Note is registered in the Note Register.

“IHOP Brand”: The name and mark “IHOP” or “INTERNATIONAL HOUSE OF PANCAKES”, alone or in combination with other words or symbols, any variation or derivative thereof, and any names and marks confusingly similar thereto.

“IHOP Corp.”: IHOP Corp., a Delaware corporation.

“IHOP Corp. Consolidated Leverage Ratio”: As relating to any Payment Date or any other date, as determined as of the immediately preceding Accounting Date, the *quotient* of (A) the *sum* of (i) aggregate Debt outstanding in respect of IHOP Corp. and all of its Affiliates as of the immediately preceding Payment Date and (ii) the *product* of (a) 96 and (b) IHOP Corp. Operating Lease Payments and (B) EBITDAR (assuming in such determination that any variable funding note Outstanding is fully drawn).

“IHOP Corp. IP License Agreement” means the IHOP Corp. IP License Agreement, dated as of the Closing Date, between IHOP Corp., as licensee, and the IP Holder, as licensor, as amended, modified or supplemented from time to time.

“IHOP Corp. Operating Lease Payments”: As relating to any Payment Date or any other date, as determined on the immediately preceding Accounting Date, the total rent expense paid during the calendar month immediately preceding such Accounting Date on Type 1 Property Leases and Type 2 Property Leases that are accounted for as operating leases in conformity with GAAP, in each case as reported on the financial statements of IHOP Corp.

“IHOP Franchised Restaurant”: Restaurants other than IHOP Operated Restaurants.

“IHOP Holdings”: IHOP Holdings, LLC, a Delaware limited liability company.

“IHOP Holdings Asset Sale Agreement”: The meaning specified in the definition of Asset Transfer Agreements.

“IHOP Holdings Certificate of Formation”: The Certificate of Formation of IHOP Holdings, dated November 22, 2006, as amended, modified or supplemented from time to time.

“IHOP Holdings Limited Liability Company Agreement”: The Limited Liability Company Agreement of IHOP Holdings, dated as of the date hereof, as amended, modified or supplemented from time to time.

“IHOP Inc.”: International House of Pancakes, Inc., a Delaware corporation.

“IHOP Operated Restaurants”: Restaurants owned and/or operated by IHOP Inc. on or after the Closing Date.

“IHOP Operated Restaurant Sub-license Agreement”: The Sub-license Agreement, dated as of the Closing Date, between IHOP Inc. and the Issuer, as amended, modified or supplemented from time to time.

“IHOP Operated Restaurant Sub-licensing Fees”: The license fees payable under the IHOP Operated Restaurant Sub-license Agreement by IHOP Inc. to the Issuer with respect to the IHOP Operated Restaurants received by the Issuer after the Cut-Off Date.

“IHOP Properties”: IHOP Properties, LLC, a Delaware limited liability company and successor by merger to IHOP Properties, Inc., a pre-existing California corporation.

“IHOP Properties Certificate of Conversion”: The Certificate of Conversion of IHOP Properties, dated as of the date hereof,as amended, modified or supplemented from time to time.

“IHOP Properties Certificate of Formation”: The Certificate of Formation of the IHOP Properties, dated as of the date hereof, as amended, modified or supplemented from time to time.

“IHOP Properties Limited Liability Company Agreement”: The Limited Liability Company Agreement of IHOP Properties, dated as of the date hereof, as amended, modified or supplemented from time to time.

“IHOP Property Leasing”: IHOP Property Leasing, LLC, a Delaware limited liability company.

“IHOP Property Leasing II”: IHOP Property Leasing II, LLC, a Delaware limited liability company.

“IHOP Property Leasing II, Inc.” means IHOP Property Leasing II, Inc., a Delaware corporation to which IHOP Properties and IHOP Realty will sell all of the Type 3 Leasehold Assets on the Closing Date.

“IHOP Property Leasing Assignments of Rents”: The Assignments of Rents delivered by IHOP Property Leasing to the Issuer in the forms attached as Exhibits A-1 and A-2 to the Type 1 Property Lease Credit Agreement to be executed, delivered and filed in the manner set forth therein.

“IHOP Property Leasing Certificate of Formation”: The Certificate of Formation of the IHOP Property Leasing, dated November 22, 2006, as amended, modified or supplemented from time to time.

“IHOP Property Leasing, Inc.”: IHOP Property Leasing, Inc., a newly formed Delaware corporation and subsidiary of IHOP Inc., which will merge and into IHOP Property Leasing, LLC.

“IHOP Property Leasing Limited Liability Company Agreement”: The Limited Liability Company Agreement of IHOP Property Leasing, dated as of the date hereof, as amended, modified or supplemented from time to time.

“IHOP Real Estate”: IHOP Real Estate, LLC, a Delaware limited liability company.

“IHOP Real Estate Assignments of Rents”: The assignments of rents on all of the rents under the Franchisee Leases delivered by IHOP Real Estate to the Issuer as security for its obligations under the Owned Real Property Credit Agreement.

“IHOP Real Estate Certificate of Formation”: The Certificate of Formation of IHOP Real Estate, dated November 22, 2006, as amended, modified or supplemented from time to time.

“IHOP Real Estate Limited Liability Company Agreement”: The Limited Liability Company Agreement of IHOP Real Estate, dated as of the date hereof, as amended, modified or supplemented from time to time.

“IHOP Realty”: IHOP Realty Corp., a Delaware corporation, and following conversion to a Delaware limited liability company, IHOP Realty, LLC.

“IHOP Realty Asset Contribution Agreement”: The meaning specified in the definition of Asset Contribution Agreements.

“IHOP Realty Type 2 Asset Sale Agreement”: The meaning specified in the definition of Asset Sale Agreements.

“Indenture”: Collectively, this Base Indenture as amended, modified or supplemented from time to time and each Series Supplement executed pursuant to Section 2.3(c) hereof, as amended, modified or supplemented from time to time.

“Indenture Trust Accounts”: The Collections Account, the Franchisee Insurance Proceeds Account, the Expense Payment Accounts, the Principal Payment Account relating to any Series of Notes, the Interest Payment Account relating to each Series of Notes, the Interest Reserve Account relating to each Series of Notes, the Fee Payment Account relating to each Series of Notes and Trigger Reserve Account relating to each Series of Notes established pursuant to Article X of this Indenture.

“Indenture Trustee”: Wells Fargo Bank, National Association, unless a successor Person shall have become the Indenture Trustee pursuant to the applicable provisions of this Indenture, and thereafter “Indenture Trustee” shall mean such successor Person.

“Indenture Trustee Fee”: Fees, expenses and costs payable to the Indenture Trustee.

“Independent”: As to any Person, any other Person (including, in the case of an accountant, or lawyer, a firm of accountants or lawyers and any member thereof or an investment bank and any member thereof) who (i) does not have and is not committed to acquire any material direct or any material indirect financial interest in such Person or in any Affiliate of such Person, and (ii) is not connected with such Person or an Affiliate of such Person as an Officer, employee, promoter, underwriter, voting trustee, partner, director or Person performing similar functions. “Independent” when used with respect to any accountant may include an accountant who audits the books of such Person if, in addition to satisfying the criteria set forth

above, the accountant is independent with respect to such Person within the meaning of Rule 101 of the Code of Ethics of the American Institute of Certified Public Accountants.

Whenever any Independent Person’s opinion or certificate is to be furnished to the Indenture Trustee, such opinion or certificate shall state that the signer has read this definition and that the signer is independent within the meaning hereof.

“Initial Purchaser”: With respect to any Series of Notes, an initial purchaser specified in the applicable Series Supplement.

“Insolvency Law”: Any applicable federal, state or provincial law relating to liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law now or hereafter in effect.

“Insurance Agreement”: With respect to any Series of Notes, the insurance agreement (if any) dated as of the execution date of the Series Supplement relating to such Series of Notes, among the Co-Issuers, the Insurer specified in the Series Supplement relating to such Series of Notes, the Indenture Trustee and such other parties as may execute and deliver such agreement, as amended, modified or supplemented from time to time.

“Insurance Policy”: With respect to any Series of Notes, the financial guaranty insurance policy (if any), dated as of the execution date for the Series Supplement relating to such Series of Notes, issued by the Insurer specified in the Series Supplement relating to such Series of Notes for the benefit of the Indenture Trustee, on behalf of the Holders of outstanding Notes relating to such Series of Notes.

“Insured Obligations”: The meaning specified in the applicable Insurance Policy.

“Insurer”: With respect to any Series of Notes, as specified in the applicable Series Supplement.

“Insurer Event of Default”: With respect to any Series of Notes insured by an Insurer, the occurrence and continuance of any of the following events:

- (a) the Insurer relating to such Series of Notes shall have failed to make a payment required under the applicable Insurance Policy in accordance with its terms and such failure has continued for two (2) Business Days;
- (b) the Insurer relating to such Series of Notes shall have (i) filed a petition or commenced any case or proceeding under any provision or chapter of the Bankruptcy Code or any other similar federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization, (ii) made a general assignment for the benefit of its creditors, or (iii) had an order for relief entered against it under the Bankruptcy Code or any other similar federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization which is final and nonappealable; or
- (c) a court of competent jurisdiction, the New York Department of Insurance or other competent regulatory authority shall have entered a final and nonappealable order,

judgment or decree (i) appointing a custodian, trustee, agent or receiver for the Insurer relating to such Series of Notes or for all or any material portion of its property or (ii) authorizing the taking of possession by a custodian, trustee, agent or receiver of such Insurer (or the taking of possession of all or any material portion of the property of such Insurer).

“Insurer Expenses”: With respect to any Series of Notes, all expenses, cost, indemnification amounts and any other amounts payable to the Insurer relating to such Series of Notes pursuant to the terms of the applicable Insurance Agreement.

“Insurer Make-Whole Premium”: With respect to any Series of Notes, as specified in the relevant Series Supplement.

“Insurer Premium Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period and for any Series Outstanding, (i) an amount equal to one-third of the Series Insurer Premium Payable Amount that will be payable on the immediately succeeding Payment Date and (ii) any such amount due for allocation but not allocated on previous Weekly Allocation Dates, including any Insurer Premium Allocation Amount due and unpaid for previous Payment Date Periods. With respect to the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Insurer Premium Payable Amount that will be payable on the immediately succeeding Payment Date with respect to which the full Series Insurer Premium Payable Amount has not been allocated on any of the previous Weekly Allocation Dates for such Payment Date Period.

“Insurer Premium Expense Payment Account”: The trust account established and specified as such pursuant to Section 10.4.

“Insurer Reimbursement and Expense Payment Account”: The trust account established and specified as such pursuant to Section 10.4.

“Intellectual Property”: All (i) Trademarks, (ii) patents and industrial designs (including any continuations, divisionals, continuations in part, renewals, reissues, and applications for any of the foregoing) (“Patents”), (iii) rights in computer programs, documentation and databases, including copyrights therein (“Software”); (iv) copyrights and copyrights in unpublished and published works (“Copyrights”), (v) trade secrets and other confidential information including but not limited to recipes, operating procedures, proprietary software and documentation and know-how and (vi) any registration, applications for registration or issuance, recordings, renewals and extensions relating to any of the foregoing.

“Interest Accrual Period”: With respect to each Series of Notes, the period from and including the Closing Date to but excluding the first Payment Date, and each successive period from and including each Payment Date to but excluding the following Payment Date until the principal of such Series of Notes is paid in full or made available for payment.

“Interest Determination Date”: The date as of which the Note Interest Rate for any Series of Notes is determined for any Interest Accrual Period (which shall be, except in regard to the first Interest Accrual Period for any Series of Notes, the Accounting Date immediately preceding the Payment Date on which such Interest Accrual Period begins).



“Interest Payment Account”: With respect to each Series of Notes, the trust account established pursuant to Section 10.5.

“Interest Reserve Account”: With respect to each Series of Notes, the trust account established pursuant to Section 10.7.

“Investment Company Act”: The United States Investment Company Act of 1940, as amended.

“Investment Income”: The investment income earned by the Company on a specified account during a specified period, in each case net of all losses and expenses allocable thereto.

“IP Asset Contribution Agreement”: The meaning set forth in the definition of Asset Contribution Agreements.

“IP Assets”: The IHOP Brand and all (i) Intellectual Property relating to the IHOP Brand owned by the Co-Issuer as of the date hereof including, but not limited to, the Intellectual Property transferred to the Co-Issuer pursuant to the applicable Asset Transfer Agreements and (ii) any After-Acquired IP Assets.

“IP License Agreement”: The Intellectual Property License Agreement, dated as of the Closing Date, between the Co-Issuer and the Issuer, as amended, modified or supplemented from time to time.

“IP Lien Filings”: Instruments substantially in the form of Exhibit Q hereto, granting a lien in the Copyrights, Patents and Trademarks included in the IP Assets and owned by the Issuer or Co-Issuer (the “IP Security Agreements”), that have been duly executed to the extent that the Co-Issuers own the related type of Intellectual Property registration or application and name the appropriate Co-Issuer as the grantor and the Indenture Trustee as the secured party and other instruments or documents as may be reasonably necessary or desirable under the laws of any appropriate jurisdiction, in the United States to evidence, perfect, protect and record in the appropriate Intellectual Property registry, the Indenture Trustee’s security interest granted under this Indenture in the IP Assets.

“IP Security Agreement”: The meaning specified in the definition of IP Lien Filings.

“Issuance Date”: The Closing Date and any other date on which the Co-Issuers issue Notes pursuant to this Base Indenture and the applicable Series Supplement.

“Issuer”: IHOP Franchising, LLC, a Delaware limited liability company.

“Issuer Assets”: Franchise Assets owned by the Issuer (and excluding any Franchise Assets owned by any other Securitization Entity).

“Issuer Certificate of Formation”: The Certificate of Formation of the Issuer, dated November 22, 2006, as amended, modified or supplemented from time to time.

“Issuer Limited Liability Company Agreement”: The Limited Liability Company Agreement of the Issuer, dated as of the date hereof, as amended, modified or supplemented from time to time.

“Lease and Reimbursement Payment Account”: The account at the Lock-Box Bank designated as the “Lease and Reimbursement Payment Account” established pursuant to the Account Control Agreement (Other Accounts) among the Issuer, the Indenture Trustee, the Servicer, the Back-Up Servicer and the Lock-Box Bank, or any successor commercial bank as set forth in Section 10.2.

“Leasehold Mortgage(s)”: A mortgage(s), deed(s) of trust, or other real property security instrument (each, a “Security Instrument”), given by IHOP Property Leasing (or an Affiliate thereof) to the Issuer, encumbering a leasehold or ground leasehold estate in real property or real properties held by IHOP Property Leasing (or such Affiliate) pursuant to a Property Lease, in the form attached to, and securing its obligations under, the Type 1 Property Lease Credit Agreement, which Security Instrument shall only be recorded upon the occurrence of the earlier of (a) the Cumulative Debt Service Coverage Ratio determined on any Accounting Date being less than 2.0x or (b) an Event of Default, a Servicer Termination Event, a Mandatory Redemption Event relating to any Series of Notes, an event of default under the Type 1 Property Lease Credit Agreement or an event which, with the lapse of time or giving notice, would constitute the same.

“Lease Payments”: Payments received by the Issuer pursuant to the Franchisee Leases and the Type 1 Franchisee Subleases and the Type 2 Franchisee Subleases after the Cut-Off Date.

“Lease Subsequent Asset Sale Agreement”: The meaning specified in the definition of Asset Sale Agreements.

“LIBOR”: With respect to each Series of Notes, the meaning specified in the applicable Series Supplement.

“License Advertising Fees”: The fees relating to advertising, promotions and other marketing activities due to the Issuer pursuant to the Area License Agreements.

“Licensed Business”: As defined under the IP License Agreement.

“Licensed IP”: The IP Assets licensed to the Issuer pursuant to the IP License Agreement.

“License Payments”: Payments received by or for the account of the Issuer after the Cut-Off Date relating to the Issuer’s rights to receive payments under the Area License Agreements, including without limitation, (i) the license royalty fees due to the Issuer pursuant to the Area License Agreements (the “License Royalties”), (ii) the fees for the transfer or renewal of a license (the “License Transfer/Renewal Fees”) and (iii) interest on late payments.

“License Royalties”: The meaning specified in the definition of License Payments.

“License Royalty Rate”: A fixed percentage of the gross revenues as determined under the applicable Area License Agreement.

“License Transfer/Renewal Fees”: The meaning specified in the definition of License Payments.

“Lien”: All pledges, charges, encumbrances, security interests or other similar rights.

“LLC Operating Agreement”: The Limited Liability Company Operating Agreement of Issuer or Co-Issuer (as applicable), as amended, modified or supplemented from time to time.

“Lock-Box Account”: The account at the Lock-Box Bank designated as the “Lock-Box Account” established pursuant to the Account Control Agreement (Other Accounts) among the Issuer, the Indenture Trustee, the Servicer, the Back-Up Servicer and the Lock-Box Bank, or any successor commercial bank as set forth in Section 10.2 into which all funds (other than Advertising Funds) received after the Cut-Off Date are required to be deposited in accordance with the Franchise Agreements or as otherwise designated by the Servicer.

“Lock-Box Bank”: Wells Fargo Bank, National Association, Los Angeles Commercial Banking Office or such other bank designated by the Issuer and consented to by each Series Controlling Party (for so long as such Series Controlling Party is an Insurer) or as to which a Rating Agency Notification is provided (if any Series Controlling Party is not an Insurer).

“Majority”: With respect to any Series of Notes, the Holders of more than 50% of the Aggregate Outstanding Principal Amount of the Notes of such Series.

“Mandatory Redemption Amount”: The meaning specified in Section 9.1.

“Mandatory Redemption Date”: The meaning specified in Section 9.1.

“Mandatory Redemption Determination Date”: The meaning specified in Section 9.1.

“Material Adverse Effect”: (i) With respect to the Servicer, a material adverse effect on (x) its condition, financial or otherwise, (y) its assets, earnings or business affairs, or (z) its ability to own its properties or to conduct its business or to enter into or perform its obligations under the Servicing Agreement or any other Transaction Document, the Collateral, taken as a whole, or the ability of the Issuer or the Co-Issuer to perform its obligations under the Transaction Documents, (ii) with respect to the Trust Estate, a material adverse effect with respect to (a) any material IP Assets individually or with respect to the IP Assets taken as a whole, the enforceability of the terms thereof, the likelihood of the payment of the amounts required with respect thereto in accordance with the terms thereof, the value thereof, and the security interest in the rights thereto granted by the Co-Issuer under the terms of the Indenture or (b) the existing and reasonably anticipated future Franchise Assets taken as a whole or any other Collateral taken as a whole, the enforceability of the terms thereof, the likelihood of the payment

of the amounts required with respect thereto in accordance with the terms thereof, the value thereof, the ownership thereof by the Co-Issuers (as applicable) and the security interest in the rights thereto Granted under the Indenture by each of the Co-Issuers, (iii) with respect to any of the Securitization Entities, a materially adverse effect on the business, assets, operations, earnings or condition (financial or otherwise) of the Securitization Entity or the ability of such Securitization Entity to own its properties or conduct its business or to perform in any material respect its obligations under any of the Transaction Documents, or (iv) with respect to any Person or matter, a material impairment to the rights of or benefits, taken as a whole, available to the Co-Issuers, the Indenture Trustee, the Noteholders or any Insurer, if applicable, under any Transaction Document or the enforceability of any Transaction Document. Where such term is used without specific reference, such term shall have the meaning specified in clauses (i) through (iv), as applicable. For avoidance of doubt, the fact that the Cumulative Debt Service Coverage Ratio is then, or would remain, at any particular ratio shall not, solely in and of itself, preclude or negate the determination of a Material Adverse Effect in any instance.

“Material Environmental Amount”: With respect to any Person, an amount or amounts payable by such Person and/or its Subsidiaries, in the aggregate in excess of \$1,000,000 for (a) costs to comply with any Environmental Law; (b) costs of any investigation, and any remediation, of any Material of Environmental Concern and (c) compensatory damages (including, without limitation, damages to natural resources), punitive damages, fines and penalties pursuant to any Environmental Law.

“Materials of Environmental Concern”: Any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products (virgin or unused), polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity and any other materials, substances of any kind, whether or not any such material or substance is defined as hazardous or toxic under any Environmental Law, that is regulated pursuant to or could reasonably be expected to give rise to liability under any Environmental Law.

“Maturity”: With respect to any Note, the date on which the unpaid principal of such Note becomes due and payable as therein or herein provided, whether at the Legal Final Maturity Date or by declaration of acceleration, call for redemption or otherwise.

“Modified Type 2 Lease Asset Sale Agreement”: The meaning specified in the definition of Asset Sale Agreements.

“Money”: The meaning specified in Section 1 201(24) of the UCC.

“Monthly Collection Period”: With respect to each Accounting Quarter, each period commencing on the first calendar day of the first (1<sup>st</sup>), fifth (5<sup>th</sup>) and ninth (9<sup>th</sup>) Weekly Collections Allocation Periods and ending on the last calendar day of the fourth (4<sup>th</sup>), eighth (8<sup>th</sup>) and thirteenth (13<sup>th</sup>) Weekly Collections Allocation Periods during such Accounting Quarter, *provided, however*, that with respect to each seventh calendar year following the Closing Date, the final Monthly Collection Period shall end on the fourteenth (14<sup>th</sup>) Weekly Collections Allocation Period.

“Monthly Noteholders’ Statement”: The meaning specified in Section 12.1(c).

“Monthly Servicer’s Certificate”: The meaning specified in Section 12.1(b).

“Monthly Servicer’s Report”: The meaning specified in Section 12.1(b).

“Moody’s”: Moody’s Investors Service, Inc., and its successors in interest.

“Moody’s Second Trigger Event”: The meaning specified in Section 13.3.

“Multiemployer Plan” A “multiemployer plan” as defined in Section 4001 of ERISA.

“Multi-Store Development Agreements”: Collectively, Existing Multi-Store Development Agreements and New Multi-Store Development Agreements.

“New Area License Agreements”: Area license agreements entered into by or transferred to the Issuer after the Closing Date.

“New Equipment Leases”: Equipment lease agreements entered into by or transferred to the Issuer after the Closing Date.

“New Franchise Agreements”: Franchise agreements entered into by or transferred to the Issuer after the Closing Date.

“New Franchise Document”: Any Franchise Document entered into by or transferred to any of the Securitization Entities (including any amendment, modification, renewal, waiver or adjustment, in writing or otherwise, in respect of a Franchise Document entered into prior to or on the Closing Date other than such Franchise Document constituting a Defective Non-Conforming Existing Franchise Document) after the Closing Date.

“New Franchisee Leases”: Leases with Franchisees of Restaurants located on any Owned Real Property entered into by or transferred to any Securitization Entity after the Closing Date.

“New Franchisee Notes”: Franchise notes and other franchisee financing agreements entered into by or transferred to the Issuer after the Closing Date pursuant to which financing arrangements are provided to franchisees with respect to initial franchise fees.

“New Franchisee Subleases”: Type 1 Franchisee Subleases and Type 2 Franchisee Subleases entered into by or transferred to any Securitization Entity after the Closing Date.

“New Multi-Store Development Agreements”: Multi-store development agreements entered into by or transferred to the Issuer after the Closing Date.

“New Product Sourcing Agreements”: All agreements relating to the manufacture of Proprietary Products for sale to the Issuer for resale to Franchisees or Area Licensees entered into by or transferred to the Issuer after the Closing Date.

“New Single-Store Development Agreements”: Single-store development agreements entered into by the Issuer after the Closing Date.

“New Type 1 Franchisee Sublease”: A sublease relating to a New Type 1 Property Lease.

“New Type 1 Property Lease”: Any Property Lease that (a) is entered into by or transferred to IHOP Property Leasing after the Closing Date which (i) is not subject to a guarantee by IHOP Inc. or an Affiliate thereof and (ii) may by its terms be assigned to an Affiliate of the lessee without the Property Lessor’s consent or (b) was a Type 2 Property Lease and subsequently amended (or the appropriate consents were obtained) to satisfy the foregoing conditions under clause (a) after the Closing Date.

“New Type 2 Property Lease”: Any Property Lease entered into by or transferred to IHOP Properties after the Closing Date that is not a New Type 1 Property Lease, including, without limitation, any Property Lease that is (a) subject to a guarantee by IHOP Inc. or an Affiliate thereof and/or (b) may not be assigned to an Affiliate of the lessee without the Property Lessor’s consent.

“Note Owner”: With respect to a Global Note, the person who is the beneficial owner of such Book-Entry Note, as reflected on the books of the Clearing Agency that holds the Book-Entry Note, or on the books of a Person holding an account with such Clearing Agency.

“Note Register” and “Note Registrar”: The respective meanings specified in Section 2.5(a).

“Noteholder”: Any Holder of a Note.

“Notes”: Collectively, all notes relating to any Series of Notes authorized and delivered in accordance with Section 2.3.

“Notice of Payment”: With respect to any Series of Notes, the notice delivered by the Indenture Trustee to an Insurer pursuant to the applicable Insurance Policy.

“Offering Circular”: In relation to any Series of Notes, the base offering circular and supplemental offering circular relating to a Series of Notes.

“Officer”: With respect to any corporation, any Director, the Chairman of the Board of Directors, the President, any Vice President, the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer of such entity; with respect to the Co-Issuers and any limited liability company, any managing member thereof or any person to whom the rights and powers of management thereof are delegated in accordance with the limited liability company agreement of such limited liability company; with respect to any partnership, any general partner thereof; and with respect to the Indenture Trustee, any Trust Officer.

“Officer’s Certificate”: Unless otherwise specified, a certificate signed by an Authorized Officer of the party delivering such certificate.

“Operating Expense Allocation Amount”: With respect to any Weekly Collections Allocation Period, an amount determined by the Servicer on a weekly basis as specified on the Weekly Servicer’s Report that reflects the Operating Expenses on a weekly basis of the IHOP Holdings and Securitization Entities considered as a consolidated group.

“Operating Expense Payment Account”: The account established and specified as such pursuant to Section 10.4.

“Operating Expense Payment Amount”: With respect to any Payment Date, the amount payable for Operating Expenses as indicated on a Servicer Order or on the Monthly Servicer’s Report.

“Operating Expenses”: All expenses incurred by the Securitization Entities and IHOP Holdings and payable to third parties in connection with the maintenance and operation of such entities and the transactions contemplated by the Transaction Documents, including, (i) fees and expenses payable to the Indenture Trustee, the Back-Up Servicer, the Rating Agencies, the Independent managers, any Independent certified public accountant or external legal counsel and (ii) fees and expenses payable to any governmental authority; *provided, however*, that Operating Expenses shall not include listing expenses, if any.

“Opinion of Counsel”: A written opinion addressed to the Indenture Trustee, each Insurer (if such Insurer is then a Series Controlling Party or entitled to receive it under a Transaction Document) and each Rating Agency, in form and substance reasonably satisfactory to the Indenture Trustee and each Insurer (if such Insurer is then a Series Controlling Party or entitled to receive it under a Transaction Document), of an attorney at law admitted to practice before the highest court of the State of New York or of Delaware, as applicable, which attorney may, except as otherwise expressly provided in this Indenture, be counsel for the Co-Issuers and which attorney shall be reasonably satisfactory to the Indenture Trustee and each Insurer (if such Insurer is then a Series Controlling Party or entitled to receive it under a Transaction Document). Whenever an Opinion of Counsel is required hereunder, such Opinion of Counsel may rely on opinions of other counsel who are so admitted and so satisfactory which opinions of other counsel shall accompany such Opinion of Counsel and shall either be addressed to the Indenture Trustee, each Insurer (if such Insurer is then a Series Controlling Party or entitled to receive it under a Transaction Document) and each Rating Agency or shall state that the Indenture Trustee, each Insurer (if such Insurer is then a Series Controlling Party or entitled to receive it under a Transaction Document) and each Rating Agency shall be entitled to rely thereon.

“Optional Redemption”: Any optional redemption of Notes effected by the Co-Issuers pursuant to Section 9.2 hereof.

“Optional Redemption Amount”: As of the Optional Redemption Date and with reference to the Notes then being redeemed, either (A) the *sum* of (i) the aggregate outstanding principal amount of such Notes, (ii) any Series Optional Redemption Premium (as applicable) payable on such Notes, (iii) the accrued and unpaid interest at the applicable Note Interest Rate on the aggregate outstanding principal amount of such Notes to but excluding the Optional Redemption Date, (iv) Reimbursements, Insurer Expenses, other amounts and the Insurer Make-

whole Premium and (v) any other amounts due and unpaid to the Insurer, including but not limited to premium or (B) as otherwise provided in the applicable Series Supplement.

“Optional Redemption Date”: The Payment Date specified for an Optional Redemption pursuant to Section 9.2.

“Outstanding”: With respect to the Notes, as of any date of determination, all of the Notes or Series of Notes, as the case may be, theretofore authenticated and delivered under this Indenture except:

- (i) Notes theretofore canceled by the Note Registrar or delivered to the Note Registrar for cancellation;
- (ii) Notes or portions thereof for whose payment or redemption funds in the necessary amount have been theretofore irrevocably deposited with the Indenture Trustee in trust for the Holders of such Notes pursuant to Section 4.1(a)(ii); *provided* that, if such Notes or portions thereof are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor reasonably satisfactory to the Indenture Trustee has been made;
- (iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, unless proof reasonably satisfactory to the Indenture Trustee is presented that any such Notes are held by a holder in due course; and
- (iv) Notes alleged to have been mutilated, destroyed, lost or stolen for which replacement Notes have been issued as provided in Section 2.6;

*provided* that, (A) in determining whether the Holders of the requisite Aggregate Outstanding Principal Amount have given any request, demand, authorization, direction, notice, consent, waiver or vote hereunder, the following Notes shall be disregarded and deemed not to be Outstanding: (x) Notes owned by the Co-Issuers or any other obligor upon the Notes or any Affiliate of any of them; (y) Notes held in any accounts with respect to which the Servicer or any Affiliate thereof exercises discretionary voting authority; *provided, further*, that in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or vote, only Notes as described under clause (x) or (y) above that an Officer of the Indenture Trustee knows to be so owned shall be so disregarded; (B) Notes owned in the manner indicated in clause (x) or (y) above that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee’s right so to act with respect to such Notes and that the pledgee is not either of the Co-Issuers or any other obligor or the Servicer, an Affiliate thereof, or an account for which the Servicer or an Affiliate of the Servicer exercises discretionary voting authority; and (C) to the extent that any Notes have been paid with proceeds of an Insurance Policy, such Notes shall continue to remain Outstanding for purposes of this Indenture until the Insurer relating to such Insurance Policy has been paid as subrogee hereunder or reimbursed pursuant to the applicable Insurance Agreement as evidenced by a written notice



from such Insurer delivered to the Indenture Trustee, and such Insurer shall be deemed to be the Holder of such Notes to the extent of any corresponding payments thereon made by such Insurer.

“Overdue Interest”: Any interest accrued at the applicable Series Note Interest Rate or otherwise on overdue interest on the Notes or overdue premium payable to any Insurer to the extent permitted by law. No Insurer shall be liable for any Overdue Interest (as defined in the preceding sentence).

“Owned Real Property”: The meaning specified in the Parent Asset Sale Agreement.

“Owned Real Property Asset Sale Agreement”: The meaning specified in the definition of Asset Sale Agreements.

“Owned Real Property Credit Agreement”: A secured credit agreement, dated as of the Closing Date, between IHOP Real Estate and the Issuer, as amended, modified or supplemented from time to time.

“Owned Real Property Mortgage”: The mortgage on the real property owned by IHOP Real Estate granting the Issuer a security interest in the real property as security for its obligations under the Owned Real Property Credit Agreement, as amended, modified or supplemented from time to time.

“Parent Asset Sale Agreement”: The meaning specified in the definition of Asset Sale Agreements.

“Patents”: The meaning set forth in the definition of Intellectual Property.

“Paying Agent”: Any paying agent appointed by the Co-Issuers for the Notes pursuant hereto.

“Payment Date”: The 20th day of each month commencing on April 20, 2007 or if any such date is not a Business Day, the immediately following Business Day.

“Payment Date Period”: The period beginning with and including the second preceding Accounting Date or, with respect to the first Payment Date Period, the Closing Date up to and excluding the immediately preceding Accounting Date.

“Permitted Liens”: (a) Liens for (i) Taxes, assessments or other governmental charges not delinquent or (ii) Taxes, assessments or other charges being contested in good faith and by appropriate proceedings and with respect to which adequate reserves have been established, and are being maintained, in accordance with GAAP, (b) all Liens created or permitted under the Transaction Documents in favor of the Indenture Trustee for the benefit of the Secured Parties, (c) Liens existing on the Closing Date, which shall be released on such date, (d) encumbrances in the nature of (i) a ground lessor’s fee interest, (ii) zoning restrictions, (iii) easements, (iv) restrictions of record on the use of real property, (v) landlords’ and lessors’ Liens on rented premises, (vi) restrictions on transfers or assignment of leases or licenses of Intellectual Property, which, in each case, do not detract from the value of the encumbered

property or impair the use thereof in the business of any Securitization Entity, (vii) contractual transfer restrictions in existence on the Closing Date and thereafter any such contractual transfer restriction so long as the inclusion of such contractual transfer restriction in any contract entered into on behalf of any Securitization Entity by the Servicer would not constitute a breach by the Servicer of the Servicing Agreement, (viii) the interest of a lessee in property leased to a Franchisee and (ix) any licenses granted in the Intellectual Property under any Franchise Agreement or other license agreements in effect on the Closing Date and thereafter, to the extent issued in the ordinary course, (e) Liens constituting (i) purchase money security interests (including mortgages, conditional sales, capitalized leases, synthetic leases and any other title retention or deferred purchase devices) in real property, interests in leases or tangible personal property (other than inventory) existing or created on the date on which such property is acquired or within sixty (60) days thereafter and (ii) the renewal, extension or refunding of any security interest referred to in the foregoing subsection (i) of this clause (e) in an amount not to exceed the amount thereof remaining unpaid immediately prior to such renewal, extension or refunding; *provided, however*, that each such security interest shall attach solely to the particular item of property so acquired, and the principal amount of Debt (including Debt in respect of Capitalized Lease Obligations and synthetic lease obligations) secured thereby shall not exceed the cost (including all such Debt secured thereby, whether or not assumed) of such item of property, (f) deposits or pledges made (i) in connection with casualty insurance maintained in accordance with the Transaction Documents, (ii) to secure the performance of bids, tenders, contracts or leases, (iii) to secure statutory obligations or surety or appeal bonds or (iv) to secure indemnity, performance or other similar bonds in the ordinary course of business of any Securitization Entity, (g) Liens of carriers, warehouses, mechanics and similar Liens, in each case (i) in existence less than forty five (45) days from the date of creation thereof or (ii) being contested in good faith by any Securitization Entity in appropriate proceedings (so long as such Securitization Entity shall, in accordance with GAAP, have set aside on its books adequate reserves with respect thereto), (h) restrictions under federal, state or foreign securities laws on the transfer of securities, (i) any permitted cash management liens, (j) any matter disclosed on the title policies insuring the Lien of the Mortgages and (k) the license and other rights granted to the licensee under the IP License Agreement.

“Person”: An individual, corporation (including a business trust), partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

“Plan”: Any “employee benefit pension plan”, as such term is defined in ERISA, which is subject to Title IV of ERISA (other than a “multiemployer plan”, as defined in Section 4001 of ERISA) and to which any company in the same Controlled Group as either of the Co-Issuers has liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA for any time within the preceding five years or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

“Preference Claim”: The meaning specified in Section 2.13(e).

“Principal Payment Accounts”: With respect to each Series of Notes, the trust accounts established pursuant to Section 10.3.

“Principal Terms”: The meaning specified in Section 2.3.

“Proceeding”: Any suit in equity, action at law or other judicial or administrative proceeding.

“Product Sourcing Agreements”: Collectively, Existing Product Sourcing Agreements and New Product Sourcing Agreements.

“Pro Forma Series Debt Service Coverage Ratio”: With respect to the certifications required under Sections 2.3(c)(vi) and 3.1(g) and (h), the *quotient* of (A) Adjusted Collections *divided* by (B) the *sum* (calculated under the hypothetical assumption that the Notes to be proposed for issuance and all other Notes to be outstanding on the Issuance Date had been outstanding for the Interest Accrual Periods relating to the three immediately preceding Accounting Dates) of (i) the hypothetical accrued Series Debt Service relating to such proposed Series of Notes that would have been payable or paid on the latest three Payment Dates; and (ii) the corresponding amounts relating to any Series of Notes to be outstanding on the Issuance Date ranking at least *pari passu* as to principal and interest to such proposed Series of Notes and (iii) the corresponding amounts relating to any Series of Notes to be outstanding on such Issuance Date the interest on which ranks at least *pari passu* as to the principal of such proposed Series of Notes, *provided* that with respect to any Series of Notes the interest on which ranks at least *pari passu* to the principal of such proposed Series of Notes, only such components of Series Debt Service ranking at least *pari passu* to the principal of such proposed Series of Notes shall be considered for purposes of such calculation.

“Properties Asset Contribution Agreement”: The meaning specified in the definition of Asset Contribution Agreements.

“Property Disposition”: The sale or other disposition of an interest in equipment or a real property in the ordinary course of business as permitted by the applicable Transaction Documents.

“Property Leases”: All ground lease, sale lease-back or lease/lease-back Transactions pursuant to which IHOP Properties, or IHOP Property Leasing or an Affiliate thereof has obtained a leasehold interest in the real property related to a Restaurant, comprising all Type 1 Property Leases and Type 2 Property Leases.

“Property Leasing Asset Contribution Agreement”: The meaning specified in the definition of Asset Contribution Agreements.

“Property Lessor”: The lessor under a Property Lease.

“Proprietary Product”: Any product which is (i) manufactured or otherwise produced by a third-party in accordance with the Franchisor’s proprietary specifications and (ii) required to be purchased by Franchisees from the Franchisor or its designated distributor for use in the Restaurants, including those items set forth in Schedule 5 hereto and any additional product designated as such by the Franchisor.

“Protected Purchaser”: The meaning specified in Section 8-303 of the UCC.

“Purchase Agreement”: Any purchase agreement for the initial purchase of Notes, dated as of the Closing Date or an Issuance Date (as applicable), between the initial purchasers of Notes and the Co-Issuers, as amended, modified or supplemented from time to time.

“QIB”: A “qualified institutional buyer” within the meaning of Rule 144A.

“QP”: A “qualified purchaser” within the meaning of Section 3(c)(7) of the Investment Company Act.

“Quality Control Programs”: The meaning specified in the Servicing Agreement.

“Rate Determination Date”: With respect to each Series of Notes, the date or dates as of which the interest rate applicable thereto will be determined, as specified in the applicable Series Supplement.

“Rating Agencies”: Moody’s and any successor or successors thereto and S&P and any successor or successors thereto. In the event that at any time the rating agencies rating the Notes do not include Moody’s or S&P, references to rating categories of Moody’s or S&P in this Indenture shall be deemed instead to be references to the equivalent categories of such other rating agency as then is rating the Notes as of the most recent date on which such other rating agency and Moody’s or S&P published ratings for the type of security in respect of which such alternative rating agency is used. If the applicable Series Supplement specifies an additional rating agency, then “Rating Agency” as used herein also refers to such additional rating agency.

“Rating Agency Condition”: With respect to any prospective action or occurrence, a condition that shall be satisfied if each Rating Agency (or, if so specified, the relevant Rating Agency) notifies each Insurer in writing that such action or occurrence, as the case may be, will not result in a withdrawal or reduction below “Baa3” by Moody’s or “BBB-” by S&P of any of its then-current ratings of the Series of Notes insured by such Insurer, without giving effect to any Insurance Policy.

“Rating Agency Notification”: With respect to any prospective action or occurrence, a written notification to the Rating Agencies setting forth in reasonable detail such action or occurrence.

“Recipient”: The meaning set forth in the definition of Confidential Information.

“Record Date”: The date on which the Holders of Notes entitled to receive a payment in respect of principal or interest on the succeeding Payment Date are determined, such date as to any Payment Date being the fifteenth (15th) day (whether or not a Business Day) prior to the applicable Payment Date.

“Redemption Date”: Either a Mandatory Redemption Date or an Optional Redemption Date.

“Refranchising Asset Dispositions”: Any resale, transfer or other disposition of a Franchise Asset that results in the replacement of a Franchise Asset with one or more new

Franchise Assets, including, without limitation, any resale, transfer, termination or creation (or combination thereof) of a Securitization Entity’s interest in any Franchise Asset.

“Regulation S”: Regulation S under the Securities Act, as such regulation may be amended, supplemented replaced or otherwise modified from time to time.

“Regulation S Global Notes”: Notes that are sold in offshore transactions in reliance on Regulation S, and that are issued in book-entry form and represented by one or more global notes in definitive, fully registered form without interest coupons.

“Reimbursements”: With respect to any Series of Notes, reimbursement (including any interest thereon) payable to the Insurer relating to such Series of Notes, with respect to any payment made by such Insurer under the applicable Insurance Policy, pursuant to the terms of the applicable Insurance Agreement.

“Reorganization”: With respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

“Reportable Event”: Any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived).

“Required Ratings”: The meaning specified in Section 13.3.

“Residual Account”: The account designated as the “Residual Account” established pursuant to the Account Control Agreement (Other Accounts) among the Issuer, the Indenture Trustee, the Servicer, the Back-Up Servicer and the Lock-Box Bank, or any successor commercial bank as set forth in Section 10.2.

“Restaurant”: A restaurant now or hereafter operated under the IHOP Brand.

“Restructuring”: The internal reorganization of the business and operations of IHOP Corp., IHOP Inc. and their Affiliates and subsidiaries, which is an integral part of the Securitization Transaction, and which involves numerous transactions that will occur on or prior to the Closing Date.

“Rule 144A”: Rule 144A under the Securities Act.

“Rule 144A Global Notes”: Notes offered and sold to Persons that are QIBs in reliance on Rule 144A and that issued in book-entry form and represented by one or more global notes in definitive, fully registered form without interest coupons.

“S&P”: Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors in interest.

“SEC”: The United States Securities and Exchange Commission.

“Secured Obligations”: (a) The principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Notes, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (b) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of either the Issuer or the Co-Issuer to the Secured Parties under the Indenture, any Insurance Agreement and the other Transaction Documents to which either of the Co-Issuers is or is to be a party, and (c) all amounts due and payable by either the Issuer or the Co-Issuer and not previously paid in respect of Series Hedge Agreements, including upon the termination of such Series Hedge Agreements.

“Secured Parties”: The meaning specified in the Preliminary Statement of this Indenture.

“Securities Act”: The United States Securities Act of 1933, as amended.

“Securitization Entities”: Each of the Issuer, the Co-Issuer, IHOP Property Leasing, IHOP Properties, IHOP Real Estate and any Additional Securitization Entities.

“Securitization Entity Charter Documents”: Collectively, (i) the IHOP Holdings Certificate of Formation, (ii) the IHOP Holdings Limited Liability Company Agreement, (iii) the Issuer Certificate of Formation, (iv) the Issuer Limited Liability Company Agreement, (v) the Co-Issuer Certificate of Formation, (vi) the Co-Issuer Limited Liability Company Agreement, (vii) the IHOP Property Leasing Certificate of Formation, (viii) the IHOP Property Leasing Limited Liability Company Agreement; (ix) IHOP Properties Certificate of Conversion; (x) IHOP Properties Certificate of Formation; (x) IHOP Properties Limited Liability Company Agreement; (xi) IHOP Real Estate Certificate of Formation; (xii) IHOP Real Estate Limited Liability Co. Agreement.

“Securitization Transaction”: Collectively, the transactions contemplated by the Transaction Documents.

“Senior Notes Outstanding”: With respect to all Senior Series of Notes, the Aggregate Outstanding Principal Amount thereof.

“Senior Series Additional Interest Allocation Amount”: With respect to each Senior Series of Notes on the first three Weekly Allocation Dates of each Payment Date Period, one third of the Series Additional Interest Payment Amount that will be payable on the next Payment Date and any such amount due for allocation but not allocated on previous Weekly Allocation Dates (if any). With respect to each Senior Series of Notes on the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Interest Payment Amount that will be payable on the next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Senior Series Fee Allocation Amount”: With respect to each Senior Series of Notes on the first three Weekly Allocation Dates of each Payment Date Period, (i) one third of the Series Fee Payment Amount that will be payable on the next Payment Date and (ii) any such amount due for allocation but not allocated on previous Weekly Allocation Dates (including amounts due but unpaid for previous Payment Date Periods) (if any). With respect to each Senior Series of Notes on the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Fee Payment Amount that will be payable on the next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Senior Series Insurer Premium Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period and for any Senior Series Outstanding, (i) an amount equal to one-third of the Senior Series Insurer Premium Payable Amount that will be payable on the immediately succeeding Payment Date and (ii) any such amount due for allocation but not allocated on previous Weekly Allocation Dates, including any Senior Series Insurer Premium Allocation Amount due and unpaid for previous Payment Date Periods. With respect to the fourth and, if applicable, the fifth Weekly Allocation Date of each Payment Date Period, the Senior Series Insurer Premium Allocation Amount is an amount equal to the portion (if any) of the Senior Series Insurer Premium Payable Amount that will be payable on the immediately succeeding Payment Date with respect to which the full Senior Series Insurer Premium Payable Amount has not been allocated on any of the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Senior Series Insurer Premium Payable Amount”: With respect to any Payment Date, as specified in the applicable Insurer Fee Letter and any Senior Series Insurer Premium Payable Amount not previously paid on any Payment Date.

“Senior Series Insurer Reimbursement and Expense Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, (i) an amount equal to one-third of the Senior Series Insurer Reimbursement and Expense Payment that will payable on the next Payment Date and (ii) any such amount due for allocation but not allocated on previous Weekly Allocation Dates (including amounts due but unpaid for previous Payment Date Periods) (if any). With respect to the fourth and, if applicable, the fifth Weekly Allocation Date of each Payment Date Period, the Senior Series Insurer Reimbursement and Expense Allocation Amount is an amount equal to the portion (if any) of the Senior Series Insurer Reimbursement and Expense Payment with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and Previous Payment Date Periods.

“Senior Series Insurer Reimbursement and Expense Payment Amount”: With respect to each Senior Series of Notes, the aggregate of all accrued and unpaid Reimbursements and Insurer Expenses.

“Senior Series Interest Allocation Amount”: With respect to each Senior Series of Notes on the first three Weekly Allocation Dates of each Payment Date Period, (i) one third of the Series Interest Payment Amount that will be payable on the next Payment Date and (ii) any

such amount due for allocation but not allocated on previous Weekly Allocation Dates (including amounts due but unpaid for previous Payment Date Periods) (if any). With respect to each Senior Series of Notes on the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Interest Payment Amount that will be payable on the next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Senior Series of Notes”: Any Series of Notes designated as a “Senior Series of Notes” in the related supplemental indenture, which by their terms are (a) senior as to the right to receive interest and principal in relation to the right to receive interest and principal of any Subordinated Series of Notes, (b) senior as to the right to receive interest in relation to the right to receive interest on any Senior Subordinated Series of Notes or any Subordinated Series of Notes or any Subordinated Series of Notes, (c) senior as to the right to receive principal in relation to the right to receive principal of any Senior Subordinated Series of Notes or any Subordinated Series of Notes, and (d) subordinate as to the right to receive principal in relation to the right to receive interest on any Senior Subordinated Series of Notes, as specified in the applicable Series Supplement.

“Senior Series Principal Payment Account Conditions”: The meaning specified in Section 10.9.

“Senior Subordinated Series Additional Interest Allocation Amount”: With respect to each Senior Subordinated Series of Notes on the first three Weekly Allocation Dates of each Payment Date Period, one third of the Series Additional Interest Payment Amount that will be payable on the next Payment Date and any such amount due for allocation but not allocated on previous Weekly Allocation Dates (if any). With respect to each Senior Subordinated Series of Notes on the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Interest Payment Amount that will be payable on the next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Senior Subordinated Series Fee Allocation Amount”: With respect to each Senior Subordinated Series of Notes on the first three Weekly Allocation Dates of each Payment Date Period, (i) one third of the Series Fee Payment Amount that will be payable on the next Payment Date and (ii) any such amount due for allocation but not allocated on previous Weekly Allocation Dates (including amounts due but unpaid for previous Payment Date Periods) (if any). With respect to each Senior Subordinated Series of Notes on the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Fee Payment Amount that will be payable on the next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Senior Subordinated Series Insurer Premium Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period and for any Senior Subordinated Series Outstanding, (i) an amount equal to one-third of the Senior Subordinated



Series Insurer Premium Payable Amount that will be payable on the immediately succeeding Payment Date and (ii) any such amount due for allocation but not allocated on previous Weekly Allocation Dates, including any Senior Subordinated Series Insurer Premium Allocation Amount due and unpaid for previous Payment Date Periods. With respect to the fourth and, if applicable, the fifth Weekly Allocation Date of each Payment Date Period, the Senior Subordinated Series Insurer Premium Allocation Amount is an amount equal to the portion (if any) of the Senior Subordinated Series Insurer Premium Payable Amount that will be payable on the immediately succeeding Payment Date with respect to which the full Senior Subordinated Series Insurer Premium Payable Amount has not been allocated on any of the previous Weekly Allocation Dates for such Payment Date Period.

“Senior Subordinated Series Insurer Premium Payable Amount”: With respect to any Payment Date, as specified in the applicable Insurer Fee Letter and any Senior Subordinated Series Insurer Premium Payable Amount not previously paid on any Payment Date.

“Senior Subordinated Series Insurer Reimbursement and Expense Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, (i) an amount equal to one-third of the Senior Subordinated Series Insurer Reimbursement and Expense Payment that will payable on the next Payment Date and (ii) any such amount due for allocation but not allocated on previous Weekly Allocation Dates (including amounts due but unpaid for previous Payment Date Periods) (if any). With respect to the fourth and, if applicable, the fifth Weekly Allocation Date of each Payment Date Period, the Senior Subordinated Series Insurer Reimbursement and Expense Allocation Amount is an amount equal to the portion (if any) of the Senior Subordinated Series Insurer Reimbursement and Expense Payment with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and Previous Payment Date Periods.

“Senior Subordinated Series Interest Allocation Amount”: With respect to each Senior Subordinated Series of Notes on the first three Weekly Allocation Dates of each Payment Date Period, (i) one third of the Series Interest Payment Amount that will be payable on the next Payment Date and (ii) any such amount due for allocation but not allocated on previous Weekly Allocation Dates (including amounts due but unpaid for previous Payment Date Periods)(if any). With respect to each Senior Subordinated Series of Notes on the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Interest Payment Amount that will be payable on the next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Senior Subordinated Series of Notes”: Any Series of Notes designated as “Senior Subordinated Series of Notes” in the related Supplemental Indenture that by their terms are (a) senior as to the right to receive interest in relation to the right to receive principal of any Senior Series of Notes or any Subordinated Series of Notes and (b) senior as to the right to receive interest in relation to the right to receive interest and principal of any Subordinated Series of Notes, (c) subordinate as to the right to receive interest in relation to the right to receive interest on any Senior Series of Notes and (d) on a *pari passu* basis as to the right to receive principal in relation to the right to receive interest on any Subordinated Series of Notes, as specified in the applicable Series Supplement.

“Series Additional Interest Payment Amount”: With respect to each Series of Notes, as set forth in the applicable Series Supplement.

“Series Anticipated Repayment Date”: With respect to any Series of Notes, as specified in the applicable Series Supplement.

“Series Consecutive DSCR Trigger Reserve Account Deposit Threshold”: With respect to any Series of Notes, the magnitude specified in the applicable Series Supplement.

“Series Consecutive DSCR Trigger Reserve Account Release Threshold”: With respect to any Series of Notes, the magnitude specified in the applicable Series Supplement.

“Series Controlling Party”: With respect to a Series of Notes, the Insurer for so long as no Insurer Event of Default has occurred and is continuing, or, otherwise, the Majority of the Series Outstanding Principal Amount voting as a series (unless otherwise specified in the applicable Series Supplement), for so long as any Series Notes relating to such Series of Notes remain Outstanding; provided that for any variable funding Series of Notes, the Aggregate Outstanding Principal Amount, for purposes of this definition and the definition of Aggregate Controlling Party, will include the undrawn amount of the maximum possible Aggregate Outstanding Principal Amount.

“Series Controlling Party Order”: A written order or request signed on behalf of the Series Controlling Party and delivered to the Indenture Trustee and the Co-Issuers.

“Series Debt Service”: With respect to each Series of Notes, (i) the Series Interest Payment Amount (excluding any such amount relating to previous Interest Accrual Periods); (ii) the Series Insurance Premium Payable Amount (excluding any such amount relating to previous Interest Accrual Periods); (iii) the Series Fee Payment Amount (excluding any such amount relating to previous Interest Accrual Periods); and (iv) the sum of any scheduled repayments of principal (excluding any Optional Redemption Amount or any Mandatory Redemption Amount).

“Series Debt Service Coverage Ratio”: With respect to each Series of Notes as to any Payment Date or any other date, as determined as of the immediately preceding Accounting Date, the *quotient* of (A) Adjusted Collections for the Monthly Collection Periods preceding such Accounting Date and the prior two (2) Accounting Dates *divided by* (B) the *sum* of (i) the Series Debt Service relating to such Series of Notes payable on the current Payment Date and the immediately preceding two (2) Payment Dates and (ii) the *sum* of the Series Debt Service for the same period for all other Series of Notes ranking at least *pari passu* as to principal and interest to such Series of Notes and (iii) the corresponding amounts relating to all other Series of Notes the interest on which ranks at least *pari passu* as to the principal of such Series of Notes, in each case for the current Payment Date and the two (2) prior Payment Dates; *provided*, however that with respect to any Accounting Date prior to the third Accounting Date after the Closing Date, the Series Debt Service Coverage Ratio shall be the *product* of three (3) *multiplied* by the average of such quotient calculated in respect of the first one or two (as applicable) Monthly Collection Period(s); *provided*, further, that with respect to any Series of Notes the interest on which ranks at least *pari passu* as to the principal of such Series of Notes, only such components

of Series Debt Service ranking at least *pari passu* to the principal of such Series of Notes shall be considered for purposes of such calculation.

“Series DSCR Mandatory Redemption Event”: The meaning specified in Section 9.1.

“Series DSCR Principal Payment Account Deposit Threshold”: With respect to any Series of Notes, the magnitude specified in the applicable Series Supplement.

“Series DSCR Trigger Reserve Account Deposit Threshold Range”: With respect to any Series of Notes and in relation to a specified Series Trigger reserve Proportion, the range specified in the applicable Series Supplement.

“Series DSCR Trigger Reserve Account Release Threshold”: With respect to any Series of Notes, the magnitude specified in the applicable Series Supplement.

“Series Event of Default”: With respect to any Series of Notes, an event of default specified in the applicable Series Supplement, if any.

“Series Extension Option”: With respect to any Series of Notes, as specified in the applicable Series Supplement.

“Series Extension Period”: With respect to any Series of Notes, as specified in the applicable Series Supplement.

“Series Fee Payment Amount”: With respect to each Series of Notes as to each Payment Date, as provided for in the applicable Series Supplement.

“Series Hedge Agreement”: With respect to any Series of Notes, the hedge agreement (if any) specified in the applicable Series Supplement, subject to the provisions of Section 13.2.

“Series Hedge Agreement Counterparty”: The Person specified in the applicable Series Hedge Agreement.

“Series Hedge Agreement Payment Amount”: With respect to any Payment Date, the aggregate amount that the Issuer must pay under the Series Hedge Agreements on the Payment Date, excluding any Series Hedge Agreement Termination Payment Amount.

“Series Hedge Agreement Receipts”: All amounts received under any Series Hedge Agreement.

“Series Hedge Agreement Termination Payment Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, an amount equal to one-third of the Series Hedge Agreement Termination Payment Amount that will be payable on the next Payment Date as determined by the Servicer and any such amount due for allocation but not allocated on previous Weekly Allocation Dates. With respect to the fourth and, if applicable, the fifth Weekly Allocation Date of each Payment Date Period, the Series Hedge

Agreement Termination Payment Allocation Amount is an amount equal to the portion (if any) of the Series Hedge Agreement Termination Payment Amount that will be payable on next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Series Hedge Agreement Termination Payment Amount”: With respect to any Payment Date, the aggregate amount of any termination payments that the Issuer must pay under the Series Hedge Agreements on the Payment Date.

“Series Hedge Counterparty”: With respect to any Series of Notes, the Person specified in the applicable Series Supplement, (if any).

“Series IHOP Corp. Consolidated Leverage Ratio Threshold”: With respect to any Series of Notes, as specified in the applicable Series Supplement.

“Series Initial Advance”: With respect to each Series of Notes, the amount specified in the applicable Series Supplement.

“Series Initial Interest Reserve Deposit Amount”: With respect to each Series of Notes, the amount specified in the applicable Series Supplement.

“Series Interest Payment Amount”: With respect to each Series of Notes as to each Payment Date, as provided for in the applicable Series Supplement.

“Series Interest Reserve Account Required Amount”: For each Series of Notes, as specified in the applicable Series Supplement.

“Series Interest Reserve Release Amount”: With respect to each Series of Notes, the amount specified in the applicable Series Supplement.

“Series Interest Reserve Release Event”: With respect to each Series of Notes, as specified in the applicable Series Supplement.

“Series Legal Final Maturity Date”: With respect to each Series of Notes issued hereunder, the Legal Final Maturity Date specified in the applicable Series Supplement.

“Series Minimum Debt Service Coverage Ratio”: With respect to any Series of Notes as specified in the applicable Series Supplement.

“Series Note Fees”: With respect to each Series of Notes, the fees relating to such Series of Notes as specified in the applicable Series Supplement.

“Series Note Interest Rate”: With respect to each Series of Notes, the rate of interest per annum (or as otherwise specified in the applicable Series Supplement) applicable to such Series of Notes as indicated in or determined pursuant to the applicable Series Supplement.

“Series Noteholders”: The Holders of the Notes of any particular Series of Notes.

“Series Notes”: With respect to each Series of Notes, any notes issued under the Series Supplement relating to such Series of Notes.

“Series of Notes” or “Series”: Notes issued pursuant to a particular Series Supplement.

“Series Optional Redemption Premium”: With respect to any Series of Notes, the amount specified in the applicable Series Supplement *provided* that any Series of Notes shall be subject to Optional Redemption without a redemption premium payable to the Noteholders when the Series Outstanding Principal Amount is less than or equal to 10 percent of the original Outstanding principal amount for such Series of Notes.

“Series Optional Redemption Amount”: With respect to each Series of Notes, as set forth in the related Series Supplement.

“Series Outstanding Principal Amount”: With respect to any Series of Notes, the Outstanding principal amount of such Series of Notes.

“Series Redemption Date”: With respect to each Series of Notes, a Redemption Date.

“Series Supplement”: With respect to each series of Notes, a series supplement in the form of Exhibit G relating thereto executed pursuant to Section 2.3(c) hereto as amended, modified or supplemented from time to time.

“Series Trigger Reserve Period”: With respect to any Series of Notes, as specified in the applicable Series Supplement.

“Series Trigger Reserve Proportion”: As specified in the applicable Series Supplement in relation to a Series DSCR Trigger Reserve Account Deposit Threshold Range.

“Servicer”: International House of Pancakes, Inc., unless a successor person shall have become the Servicer pursuant to the applicable provisions of this Indenture and the Servicing Agreement, and thereafter “Servicer” shall mean such successor Person.

“Servicer Certificate”: The meaning specified in the Servicing Agreement.

“Servicer Order”: A written order or request, as the case may be, dated and signed in the name of the Servicer by an Authorized Officer of the Servicer.

“Servicer Termination Event”: Any Servicer Termination Event specified in the Servicing Agreement.

“Servicing Agreement”: The Servicing Agreement, dated as of the Closing Date, among the Servicer, each of the Securitization Entities, IHOP, Inc. (as Servicer), IHOP Corp. (as Guarantor) and the Indenture Trustee (in its capacity as Indenture Trustee), as amended, modified or supplemented from time to time.

“Single Employer Plan”: Any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

“Single Store Development Agreements”: Collectively, Existing Single Store Development Agreements and New Single-Store Development Agreements.

“Software”: The meaning set forth in the definition of Intellectual Property.

“Specified Person”: The meaning specified in Section 2.6.

“Stated Maturity”: With respect to any series of Notes, the date specified as the Stated Maturity in the applicable Series Supplement.

“STE Series DSCR Threshold”: With respect to any Series of Notes, as specified in the applicable Series Supplement.

“Subordinate Interests”: The meaning specified in Section 12.1.

“Subordinated Notes Outstanding”: With respect to any Subordinated Series of Notes, the Aggregate Outstanding Principal Amount.

“Subordinated Series Additional Interest Allocation Amount”: With respect to each Subordinated Series of Notes on the first three Weekly Allocation Dates of each Payment Date Period, one third of the Series Additional Interest Payment Amount that will be payable on the next Payment Date and any such amount due for allocation but not allocated on previous Weekly Allocation Dates (if any). With respect to each Senior Series of Notes on the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Interest Payment Amount that will be payable on the next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Subordinated Series Fee Allocation Amount”: With respect to each Subordinated Series of Notes on the first three Weekly Allocation Dates of each Payment Date Period, one third of the Series Fee Payment Amount that will be payable on the next Payment Date and any such amount due for allocation but not allocated on previous Weekly Allocation Dates (if any). With respect to each Subordinated Series of Notes on the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Fee Payment Amount that will be payable on the next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Subordinated Series Insurer Premium Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period and for any Subordinated Series Outstanding, (i) an amount equal to one-third of the Subordinated Series Insurer Premium Payable Amount that will be payable on the immediately succeeding Payment Date and (ii) any such amount due for allocation but not allocated on previous Weekly Allocation Dates, including any Subordinated Series Insurer Premium Allocation Amount due and unpaid for previous Payment Date Periods. With respect to the fourth and, if applicable, the fifth Weekly Allocation

Date of each Payment Date Period, the Subordinated Series Insurer Premium Allocation Amount is an amount equal to the portion (if any) of the Subordinated Series Insurer Premium Payable Amount that will be payable on the immediately succeeding Payment Date with respect to which the full Subordinated Series Insurer Premium Payable Amount has not been allocated on any of the previous Weekly Allocation Dates for such Payment Date Period.

“Subordinated Series Insurer Premium Payable Amount”: With respect to any Payment Date, as specified in the applicable Insurer Fee Letter and any Subordinated Series Insurer Premium Payable Amount not previously paid on any Payment Date.

“Subordinated Series Insurer Reimbursement and Expense Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, an amount equal to one-third of the Subordinated Series Insurer Reimbursement and Expense Payment that will be payable on the next Payment Date as determined by the Servicer and any such amount due for allocation but not allocated on previous Weekly Allocation Dates (if any). With respect to the fourth and, if applicable, the fifth Weekly Allocation Date of each Payment Date Period, the Subordinated Series Insurer Reimbursement and Expense Allocation Amount is an amount equal to the portion (if any) of the Subordinated Series Insurer Reimbursement and Expense Payment with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and Previous Payment Date Periods (if any).

“Subordinated Series Insurer Reimbursement and Expense Payment Amount”: With respect to each Subordinated Series of Notes, the aggregate of all accrued and unpaid Reimbursements and Insurer Expenses relating thereto.

“Subordinated Series Interest Allocation Amount”: With respect to each Subordinated Series of Notes on the first three Weekly Allocation Dates of each Payment Date Period, one third of the Series Interest Payment Amount that will be payable on the next Payment Date and any such amount due for allocation but not allocated on previous Weekly Allocation Dates (if any). With respect to each Subordinated Series of Notes on the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the Series Interest Payment Amount that will be payable on the next Payment Date with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods (if any).

“Subordinated Series of Notes”: Any Series of Notes that by their terms are (a) subordinate as to the right to receive interest and principal in relation to the right to receive interest and principal of any Senior Series of Notes, (b) subordinate as to the right to receive interest in relation to the right to receive interest on any Senior Note and any Senior Subordinated Notes and (c) on a *pari passu* basis as to the right to receive principal in relation to the right to receive principal of any Senior Subordinated Notes, as specified in the applicable Series Supplement.

“Subordinated Series Principal Payment Account Conditions”: The meaning specified in Section 10.9.

“Supplemental Servicing Fee”: An amount not to exceed \$1,000,000 during each 12 month period following the Closing Date, which may be drawn by the Servicer in whole or in part on any Weekly Allocation Date in accordance with Section 10.9 hereunder; provided that such amount may be increased for any 12 month period with the consent of the Aggregate Controlling Party.

“Supplier Payment”: Collectively, the amounts paid by or on behalf of the Issuer to manufacturers of Proprietary Products as payment for the Proprietary Products purchased pursuant to Product Sourcing Agreements.

“Supplier Payment Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, an amount equal to one-third of aggregate Supplier Payments that will be required during the immediately succeeding Payment Date Period as estimated by the Servicer in its business judgment and any such amount due for allocation but not allocated on previous Weekly Allocation Dates. With respect to the fourth and, if applicable, the fifth Weekly Allocation Date of each Payment Date Period, the Supplier Payment Allocation Amount is an amount equal to the portion (if any) of the estimated aggregate Supplier Payments for such Payment Date Period with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and Previous Payment Date Periods.

“Tax”: Any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, environmental, custom duties, capital stock, profits, documentary, property, franchise, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add on minimum, or other tax of any kind whatsoever, including any interest, penalty, fine, assessment or addition thereto.

“Third Party Reimbursed Payment”: Common charges, taxes and other costs primarily relating to the maintenance of Restaurants and paid by the Issuer on behalf of Franchisees to third parties.

“Third Party Reimbursed Payment Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, an amount equal to one-third of aggregate Third Party Reimbursed Payments that will be required during the immediately succeeding Payment Date Period as estimated by the Servicer in its business judgment and any such amount due for allocation but not allocated on previous Weekly Allocation Dates. With respect to the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the estimated aggregate Third Party Reimbursement Payments for such Payment Date Period with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and previous Payment Date Periods.

“Third Party Reimbursement Amounts”: Funds received from Franchisees as reimbursement of Third Party Reimbursed Payments.

“Trademarks”: All trademarks, service marks, trade names, Internet domain names, trade dress, designs, logos, slogans, or other indications of origin, and general intangibles



of like nature, whether registered or unregistered, together with all registrations and applications therefore and all goodwill of any business connected with the use of and symbolized thereby.

“Training Fee Amount”: Funds received by the Franchisor as payment for initial or optional trainings provided by designated Franchisees in accordance with the applicable Franchise Agreements and Current Practice.

“Training Fee Reimbursement Payment”: A payment by the Franchisor to a designated Franchisee in consideration for the provision by such designated Franchisee of initial or optional trainings to other Franchisees in accordance with the applicable Franchise Agreements and Current Practice.

“Training Fee Reimbursement Payment Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, an amount equal to one-third of aggregate Training Fee Payments that will be required during the immediately succeeding Payment Date Period as estimated by the Servicer in its business judgment and any such amount for allocation but not allocated on previous Weekly Allocation Dates. With respect to the fourth and, if applicable, the fifth Weekly Allocation Date of each Payment Date Period, the Training Fee Reimbursement Payment Allocation Amount is an amount equal to the portion (if any) of the estimated aggregate Third Party Reimbursement Payments for such Payment Date Period with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period and Previous Payment Date Periods.

“Transaction Documents”: This Indenture, the Notes, the Asset Transfer Agreements, the Securitization Entity Charter Documents, the Servicing Agreement, the IP License Agreement, the IHOP Operated Restaurant Sub-license Agreement, the Foreign/Type 3 IP License Agreement, the IHOP Corp. IP License Agreement, the IP Security Agreements, any Series Hedge Agreement, any Purchase Agreement, any Insurance Agreement, any Insurance Policy, the Type 1 Property Lease Credit Agreement, the Owned Real Property Credit Agreement, the Credit Agreement Notes, the Assignments of Rents, the Leasehold Mortgages, the Owned Real Property Mortgage, any Insurer Fee Letter, each Account Control Agreement and the Back-Up Servicing Agreement.

“Transfer Agent”: The Person or Persons, which may be the Issuer, authorized by the Issuer to exchange or register the transfer of Notes.

“Trigger Release Amount”: The aggregate amount of funds on deposit in the Trigger Reserve Account for any Series of Notes that are required to be released pursuant to the terms of any Series Supplement.

“Trigger Reserve Account”: With respect to each Series of Notes, the trust account established pursuant to Section 10.6.

“Trigger Reserve Event”: An event that shall occur and continue for any particular Series of Notes so long as a Series Trigger Reserve Period is continuing for such Series of Notes as specified in the applicable Series Supplement.

“Trust Estate”: The Collateral and all rights of the Indenture Trustee under any Insurance Policy, and including, without limitation, all other money, instruments, and other property and rights subject or intended to be subject to the Lien of this Indenture for the benefit of all or any of the Secured Parties as of any particular time, including all proceeds thereof.

“Trust Officer”: When used with respect to the Indenture Trustee, any officer within the Corporate Trust Office (or any successor group of the Indenture Trustee) including any vice president, assistant vice president or officer of the Indenture Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Corporate Trust Office because of his knowledge of and familiarity with the particular subject.

“Type 1 Franchisee Subleases”: Subleases relating to any Type 1 Property Lease.

“Type 1 Property Lease Asset Sale Agreement”: The meaning specified in the definition of Asset Sale Agreements.

“Type 1 Property Lease Credit Agreement”: The secured credit agreement between the Issuer and IHOP Property Leasing, as amended, modified or supplemented from time to time.

“Type 1 Property Lease Payment”: A payment by the Franchisor to a Type 1 Property Lessor.

“Type 1 Property Lease Payment Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, an amount equal to one-third of aggregate Type 1 Property Lease Payments that will be required during the immediately succeeding Payment Date Period as estimated by the Servicer in its business judgment and any such amount for allocation but not allocated on the immediately previous Weekly Allocation Date. With respect to the fourth and, if applicable, fifth Weekly Allocation Date of each Payment Date Period, an amount equal to the portion (if any) of the estimated aggregate Type 1 Property Lease Payments for such Payment Date Period with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period.

“Type 1 Property Leases”: Collectively, the Existing Type 1 Property Leases and New Type 1 Property Leases.

“Type 1 Property Lessors”: Property lessors under Type 1 Property Leases.

“Type 2 Franchisee Subleases”: Subleases relating to any Type 2 Property Lease (excluding for the avoidance of doubt, any Type 3 Assets).

“Type 2 Franchisee Payments”: Franchise Payments, Equipment Lease Payments and Franchisee Note Payments, and Lease Payments and other payments received from Franchisees under Type 2 Franchisee Subleases.

“Type 2 Property Lease Payment”: A payment by the Franchisor to a Type 2 Property Lessor.

“Type 2 Property Lease Payment Allocation Amount”: With respect to the first three Weekly Allocation Dates of each Payment Date Period, an amount equal to one-third of aggregate Type 2 Property Lease Payments that will be required during the immediately succeeding Payment Date Period as estimated by the Servicer in its business judgment and any such amount for allocation but not allocated on the immediately previous Weekly Allocation Date. With respect to the fourth and, if applicable, the fifth Weekly Allocation Date of each Payment Date Period, the Type 2 Property Lease Payment Allocation Amount is an amount equal to the portion (if any) of the estimated aggregate Type 2 Property Lease Payments for such Payment Date Period with respect to which an allocation was not made on the previous Weekly Allocation Dates for such Payment Date Period.

“Type 2 Property Leases”: Collectively, the Existing Type 2 Property Leases and New Type 2 Property Leases.

“Type 2 Property Lessors”: Property Lessors under Type 2 Property Leases.

“Type 3 Assets”: Collectively, the Type 3 Leasehold Assets, the Type 3 Contract Rights and the Type 3 Real Estate Assets (none of which are part of the Securitization Transaction).

“Type 3 Contract Rights”: All of the Type 3 Franchise Agreements, the Type 3 Area License Agreements, the Type 3 Multi-Store Development Agreements, the Type 3 Franchisee Notes and the Type 3 Equipment Leases.

“Type 3 Area License Agreements”: All of the area license agreements identified on Schedule 27 to the Parent Asset Sale Agreements, including all accrued and future rights to payment thereunder.

“Type 3 Equipment Leases”: All of the equipment leases identified on Schedule 8 to the Parent Asset Sale Agreement, including the residual interest, if any, in the related equipment and the security interest in that equipment.

“Type 3 Franchise Agreements”: All of the franchise agreements identified on Schedule 9 to the Parent Asset Sale Agreement, together with all accrued and future rights to payment thereunder.

“Type 3 Franchisee Notes”: All of the franchisee notes identified on Schedule 11 to the Parent Asset Sale Agreement, including all accrued and future rights to payment thereunder.

“Type 3 IHOP Restaurant”: Any Restaurant that has been listed on a schedule to the Parent Asset Sale Agreement as a Type 3 IHOP Restaurant; *provided that* an IHOP Restaurant shall cease to be a Type 3 IHOP Restaurant at such time as the related Type 3 Assets have been transferred to the Securitization Entities in the manner contemplated by the Parent Asset Sale Agreement and the Lease Subsequent Asset Sale Agreement. These consist of IHOP Restaurants that IHOP, Inc. has identified as being potentially affected by certain misstatements in Uniform Franchise Offering Circulars previously delivered to the affected Franchisees (which

misstatements were subsequently corrected) relating to the status of certain trademark registrations at the Patent and Trademark Office.

“Type 3 Leasehold Assets”: Collectively, Type 3 Property Leases and the Type 3 Franchisee Subleases.

“Type 3 Multi-Store Development Agreements”: All of the multi-store development agreements identified on Schedule 7 to the Standard Terms of Asset Sale Agreements.

“Type 3 Owned Real Property”: The real properties owned by IHOP Inc. or one or more of its Affiliates on which Type 3 IHOP Restaurants are located.

“Type 3 Property Lease”: A lease of a real property where a Type 3 IHOP Restaurant is located, which has been subleased by IHOP Inc. or an Affiliate thereof to the related Franchisee.

“Type 3 Real Estate Assets”: Collectively, the Type 3 Owned Real Property together with the Type 3 Property Leases.

“UCC”: The Uniform Commercial Code as in effect from time to time in the State of New York or, when the context requires, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

“Unhedged Floating Rate Note Principal Limit”: With respect to any Series of Notes, as specified in the applicable Series Supplement.

“U.S.”, “United States”: The United States of America (including its territories and possessions)

“U.S. Person”: The meaning given in Regulation S under the Securities Act.

“Weekly Allocation Date”: The meaning specified in Section 10.9.

“Weekly Collections Allocation Period”: The weekly period commencing on 12:00a.m. (New York time) on each Sunday and ending on 11:59p.m. (New York time) on each Saturday; provided, however, that the first Weekly Collection Allocation Period following the Closing Date shall be the period commencing on 12:00a.m. (New York time) on the Closing Date and ending on 11:59p.m. (New York time) on Saturday, March 24, 2007.

“Weekly Servicer’s Report”: The meaning specified in Section 12.1(a).

“Weekly Servicing Fee”: With respect to each Weekly Allocation Date, an amount equal to the *quotient* of (a) \$27,000,000 (subject to an increase as of each anniversary of the Closing Date by a percentage equal to the *lesser* of (i) the unadjusted 12-months change in the consumer price index released by the U.S. Department of Labor as of such time (if greater than zero) and (ii) 3%) and (b) 52.

**SCHEDULE 1**

**LIST OF SUBSIDIARIES OF THE ISSUER**

IHOP Property Leasing, LLC

IHOP Properties, LLC

IHOP Real Estate, LLC

IHOP IP, LLC

## **SCHEDULE 2**

### **LIST OF ELIGIBLE INVESTMENTS**

Any one or more negotiable instruments or securities, purchased at or less than their par value, payable in Dollars, issued by an entity organized under the laws of the United States of America (or by the United States of America) and represented by instruments in bearer or registered or in book-entry form which evidence (excluding any security with the “r” symbol attached to its rating and any security the payments on which are subject to withholding tax):

(a) obligations that are direct obligations the full and timely payment of which is to be made by, or obligations that are fully guaranteed as to principal and interest by, the United States of America other than financial contracts whose value depends on the values or indices of asset values; provided that such obligations are backed by the full faith and credit of the United States of America and have a predetermined, fixed amount of principal due at maturity (that cannot vary or change) and that each such obligation has a fixed interest rate or has its interest rate tied to a single interest rate index plus a single fixed spread;

(b) demand deposits of, time deposits in, or certificates of deposit issued by, any depository institution or trust company incorporated under the laws of the United States of America or any state thereof whose short-term debt is rated in the highest short-term debt rating category respectively by Moody’s and by S&P and which is subject to supervision and examination by federal or state banking or depository institution authorities; provided, however, that at the time of the investment the long-term unsecured debt obligations (other than such obligations whose rating is based on collateral or on the credit of a Person other than such institution or trust company) of such depository institution or trust company shall have a credit rating from S&P and from Moody’s in the highest long-term debt rating category respectively;

(c) commercial paper having, original maturities of not more than 270 days and a remaining term to maturity upon purchase of not later than the Business Day preceding the next Payment Date, a rating from Moody’s and S&P in the highest short-term debt rating category, respectively, and that has a predetermined fixed amount of principal due at maturity (that cannot vary or change) and has a fixed interest rate or has its interest rate tied to a single interest rate index plus a single fixed spread;

(d) bankers’ acceptances issued by any depository institution or trust company described in clause (b) above;

(e) investments in money market funds that have as one of their investment objectives the maintenance of a constant net asset value rated “Aaa” by Moody’s and “AAA” by S&P or otherwise approved in writing by the Aggregate Controlling Party and the Rating Agencies; and

(f) any other instruments or securities, if approved in writing by the Aggregate Controlling Party and the Rating Agencies confirm in writing that the investment in such instruments or securities will not adversely affect any ratings with respect to any Series of Notes;

*provided* that (i) no investment described shall evidence either the right to receive (A) only interest with respect to such investment or (B) a yield to maturity greater than 120% of the yield to maturity at par of the underlying obligations and (ii) such Eligible Investments shall mature prior to the immediately succeeding Payment Date.

Each Eligible Investment shall not be subject to deduction or withholding for or on account of any withholding or similar tax, unless the payor is required to make “gross up” payments that ensure that the net amount actually received by the Co-Issuers (free and clear of taxes, whether assessed against such obligor or the Co-Issuers) will equal the full amount that the Co-Issuers would have received had no such deduction or withholding been required.

Eligible Investments may include, without limitation, investments for which the Indenture Trustee or an Affiliate of the Indenture Trustee provides services and, in each case, that otherwise fall within the foregoing provisions of this definition.

**SCHEDULE 3**

**LIST OF NON-ASSIGNABLE THIRD PARTY INTELLECTUAL PROPERTY**

- A.

Software Non-Exclusive License Agreement, dated May 31, 1995 between Lawson Associates Inc. and IHOP Corp (and two addenda)
- B.

Major Account Sales Agreement, dated January 1, 2002, between MICROS Systems Inc. and IHOP Corp. (and Amendment, dated January 1, 2002)
- C.

Microsoft

1.

Microsoft Enterprise Agreement, dated November, 17, 2003, between Microsoft Licensing, GP and IHOP Corp.

2.

Microsoft Enterprise Enrollment (direct) dated November 1/17/03 between Microsoft Licensing GP and IHOP Corp.
- D.

Business Objects License Agreement, dated December 21, 2004, between Business Objects America and IHOP Inc. (and Order Schedules)
- E.

Hyperion

1.

Software License and Services Agreement, dated June 30, 2005, between Hyperion Solutions Corporation and IHOP Corp. (and Order Schedules)

2.

Hyperion Maintenance Service Agreement, dated June 28, 2002, between Hyperion Solutions Corporation and IHOP Corp.

3.

Professional Services Statement of Work, dated June 29, 2005, between Hyperion Solutions Corporation and IHOP Corp.

Services Agreement, dated April 1, 2005, between Vertical Pitch, LLC and IHOP Corp. (The license is non-transferable.)
- F.

Consulting Services Agreement, dated March 18, 2005, between Marketing Technologies Group (an alliance partner of Hyperion) and IHOP Corp.
- G.

Oracle

1.

Oracle License and Services Agreement dated November 25, 2003, between Oracle Corp. and IHOP Corp. (and Ordering Document, dated February 22, 2005)

2.

Oracle License and Services Agreement, dated June 19, 2006, between Oracle USA, Inc. and IHOP Corp.
- H.

Hitachi

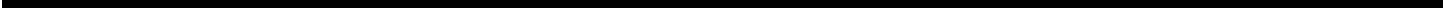


1. Engagement Letter, dated November 25, 2003, between Hitachi Consulting Corporation and IHOP Corporation (relating to Phase I of the Oracle Implementation Project)
2. Engagement Letter, dated June 3, 2004, between Hitachi Consulting Corporation and IHOP Corporation (relating to Phase II of the Oracle Implementation Project)
3. Master Consulting Agreement, dated October 10, 2006, between Hitachi Consulting Corporation and IHOP Corporation

**SCHEDULE 5**

**LIST OF PROPRIETARY PRODUCTS**

Product Number	Product Name
36345	Buttermilk Pancake Mix
36346	Egg Pancake Mix
36352	Harvest Grain ‘n Nut Pancake Mix
32496	Corn Cake Pancake Mix
36361	Golden Belgian Waffle Mix



**SCHEDULE 7.9**

**COMPETITIVE BUSINESS**

Any transaction involving a business identified to the Aggregate Controlling Party on the Closing Date by separate letter.

SC7.9-1

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**SCHEDULE 7.12(g)**

**LIENS (COLLATERAL)**

None

SC7.12(g)-1

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**SCHEDULE 7.12(U)**

**MATERIALLY ADVERSE PROCEEDINGS**

None
SC7.12(u)-1

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SCHEDULE 7.16

LIENS (ISSUER/CO-ISSUER)

None
SC7.16-1

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EXHIBIT A

FORM OF TRANSFER/EXCHANGE CERTIFICATE  
FOR TRANSFER/EXCHANGE FROM REGULATION S GLOBAL  
NOTE TO RULE 144A GLOBAL NOTE

(Transfers and exchanges pursuant to § 2.5(d)(ii) of the Base Indenture)  
[Transferor Certificate]

Wells Fargo Bank, National Association  
Sixth Street and Marquette Avenue, MAC N9311-161  
Minneapolis, MN 55479  
Attn: Corporate Trust Services/Asset Backed Administration

Re: Series 20[ ]-[ ] Notes due [ ] of  
IHOP Franchising, LLC and IHOP IP, LLC (the “Notes”)

Reference is hereby made to the Base Indenture, dated as of March 16, 2007 (the “Base Indenture”), among IHOP Franchising, LLC (the “Issuer”), IHOP IP, LLC (the “Co-Issuer”) and Wells Fargo Bank, National Association, as indenture trustee (the “Indenture Trustee”), supplemented by the Series 20[ ]-[ ] Series Supplement (the “Series Supplement” and, together with the Base Indenture, the “Indenture”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This certificate relates to US\$ principal amount of Notes which are evidenced by one or more Regulation S Global Notes (CUSIP No. [ ]) and held with DTC, the beneficial interest of which is held by [insert name of transferor/exchanger] (the “Transferor”). The Transferor has requested a transfer or exchange of such beneficial interest in the Notes to a person that will take delivery thereof (the “Transferee”) in the form of an equal principal amount of Notes evidenced by one or more Rule 144A Global Notes (CUSIP No. [ ]).

In the case of a transfer or exchange, the Transferor hereby certifies that:

- (1) it reasonably believes that the Transferee acquiring such interest in the Rule 144A Global Note is a QIB (who is also a QP) and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other relevant jurisdiction.
- (2) [the offer of the Notes was not made to a Competitor]\*

\* Applies only if such restriction is applicable to the Notes to be transferred as set forth in the legend relating to such Notes.

[For purposes of this certificate, “Competitor” means any Person that is a direct or indirect franchisor, franchisee, licensee, owner or operator of a large regional or national family restaurant serving the ‘breakfast daypart’ (as such term is commonly used in the restaurant industry), including but not limited to a Franchisee or Area Licensee; provided, however, that a Person shall not be a Competitor solely by virtue of its direct or indirect ownership of less than five (5) percent of the equity interests in a “Competitor”; provided, further that a franchisee or a

licensee shall only be a “Competitor” if it, or its Affiliates, directly or indirectly owns, franchise or licenses in the aggregate ten or more individual locations of a particular concept.]

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer, the Co-Issuer and the Initial Purchaser of the Notes being transferred or exchanged.

[Insert Name of Transferor]

By:  
Name:  
Title:  
Dated:

cc:        IHOP Franchising, LLC  
            450 North Brand Boulevard  
            Glendale, CA 91203

IHOP IP, LLC  
450 North Brand Boulevard  
Glendale, CA 91203



EXHIBIT B

FORM OF REGULATION S TRANSFEREE CERTIFICATE  
FORM OF TRANSFER/EXCHANGE CERTIFICATE  
FOR TRANSFER/EXCHANGE FROM RULE 144A GLOBAL  
NOTE TO REGULATION S GLOBAL NOTE

(Transfers and exchanges pursuant to § 2.5(d)(iii) of the Base Indenture)  
[Transferor Certificate]

Wells Fargo Bank, National Association  
Sixth Street and Marquette Avenue, MAC N9311-161  
Minneapolis, MN 55479  
Attn: Corporate Trust Services/Asset Backed Administration

Re: Series 20[ ]-[ ] Notes due [ ] of  
IHOP Franchising, LLC and IHOP IP, LLC (the “Notes”)

Reference is hereby made to the Base Indenture, dated as of March 16, 2007 (the “Base Indenture”), among IHOP Franchising, LLC (the “Issuer”), IHOP IP, LLC (the “Co-Issuer”) and Wells Fargo Bank, National Association, as indenture trustee (the “Indenture Trustee”), supplemented by the Series 20[ ]-[ ] Series Supplement (the “Series Supplement” and, together with the Base Indenture, the “Indenture”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This certificate relates to US\$ principal amount of Notes which are evidenced by one or more Rule 144A Global Notes (CUSIP No. [ ]) and held with DTC, the beneficial interest of which is held by [insert name of transferor/exchanger] (the “Transferor”). The Transferor has requested a transfer or exchange of such beneficial interest in the Notes to a person that will take delivery thereof (the “Transferee”) in the form of an equal principal amount of Notes evidenced by one or more Regulation S Global Notes (CUSIP No. [ ]).

In connection with such request and in respect of such Notes, the Transferor does hereby certify that in the case of a transfer or an exchange, the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Global Notes, including in accordance with Rule 903 or 904 of Regulation S under the Securities Act of 1933, as amended (the “Securities Act”) and accordingly the Transferor does hereby certify that:

- (1) the offer of the Notes was not made to a person in the United States;
- (2) either:
  - (A) at the time the buy order was originated, the transferee or exchangee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the transferee or exchangee was outside the United States, or

- (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States;
- (3) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) or Regulation S, as applicable;
- (4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and
- (5) upon completion of the transaction, the beneficial interest being transferred as described above is to be held with the Depositary and may be held through Euroclear or Clearstream or both.
- (6) [The offer of the Notes was not made to a Competitor]\*

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\* Applies only if such restriction is applicable to the Notes to be transferred as set forth in the legend relating to such Notes.

[For purposes of this certificate, “Competitor” means any Person that is a direct or indirect franchisor, franchisee, licensee, owner or operator of a large regional or national family restaurant serving the ‘breakfast daypart’ (as such term is commonly used in the restaurant industry), including but not limited to a Franchisee or Area Licensee; provided, however, that a Person shall not be a Competitor solely by virtue of its direct or indirect ownership of less than five (5) percent of the equity interests in a “Competitor”; provided, further that a franchisee or a licensee shall only be a “Competitor” if it, or its Affiliates, directly or indirectly owns, franchise or licenses in the aggregate ten or more individual locations of a particular concept.]

In addition, the Transferor hereby certifies that it reasonably believes that the Transferee acquiring such interest in the Note is a QP.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer, the Co-Issuer and the Initial Purchaser of the Notes being transferred or exchanged.

[Insert Name of Transferor]

By:  
Name:  
Title:

Dated:

cc: IHOP Franchising, LLC  
450 North Brand Boulevard  
Glendale, CA 91203

IHOP IP, LLC  
450 North Brand Boulevard  
Glendale, CA 91203

EXHIBIT C

FORM OF TRANSFER/EXCHANGE CERTIFICATE  
FOR TRANSFER/EXCHANGE FROM DEFINITIVE  
NOTE TO REGULATION S GLOBAL NOTE

(Transfers and exchanges pursuant to § 2.5(e)(i) of the Base Indenture)  
[Transferee Certificate]

Wells Fargo Bank, National Association  
Sixth Street and Marquette Avenue, MAC N9311-161  
Minneapolis, MN 55479  
Attn: Corporate Trust Services/Asset Backed Administration

Re: Series 20[ ]-[ ] Notes due [ ] of  
IHOP Franchising, LLC and IHOP IP, LLC (the “Notes”)

Reference is hereby made to the Base Indenture, dated as of March 16, 2007 (the “Base Indenture”), among IHOP Franchising, LLC (the “Issuer”), IHOP IP, LLC (the “Co-Issuer”) and Wells Fargo Bank, National Association, as indenture trustee (the “Indenture Trustee”), supplemented by the Series 20[ ]-[ ] Series Supplement (the “Series Supplement” and, together with the Base Indenture, the “Indenture”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This certificate relates to US\$ principal amount of Notes which are evidenced by one or more Definitive Notes (CUSIP No. [ ]) and held with DTC, the beneficial interest of which is held by [insert name of transferor/exchanger] (the “Transferor”). The Transferor has requested a transfer or exchange of such beneficial interest in the Notes to a person (the “Transferee”) who will take delivery thereof in the form of an equal principal amount of Notes evidenced by one or more Regulation S Global Notes (CUSIP No. [ ]) which amount, immediately after such transfer, is to be held with the Depositary.

In connection with such request and in respect of such Notes, the Transferee does hereby certify that in the case of an exchange or transfer, that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Regulation S Global Notes and pursuant to Rule 903 or 904 of Regulation S, including that the Transferee is neither a U.S. Person nor a U.S. Resident. In addition, the Transferee hereby certifies that it is a QP. [In addition, the Transferee does hereby certify that it is not a Competitor.]\*

\* Applies only if such restriction is applicable to the Notes to be transferred as set forth in the legend relating to such Notes.

[For purposes of this certificate, “Competitor” means any Person that is a direct or indirect franchisor, franchisee, licensee, owner or operator of a large regional or national family restaurant serving the ‘breakfast daypart’ (as such term is commonly used in the restaurant industry), including but not limited to a Franchisee or Area Licensee; provided, however, that a Person shall not be a Competitor solely by virtue of its direct or indirect ownership of less than five (5) percent of the equity interests in a “Competitor”; provided, further that a franchisee or a licensee shall only be a “Competitor” if it, or its Affiliates, directly or indirectly owns, franchise or licenses in the aggregate ten or more individual locations of a particular concept.]

The Transferee hereby agrees that any future resale, pledge, transfer or exchange of such Notes may be made only (i) to a person who the seller reasonably believes is a QIB (who is also a QP) in a transaction meeting the requirements of Rule 144A, or (ii) in an offshore transaction complying with Rule 903 or Rule 904 (as applicable) of Regulation S under the Securities Act. The Transferee will notify any purchaser of Notes from it of the resale restrictions referred to above, if then applicable.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer, the Co-Issuer and the Initial Purchaser of the initial offering of such Notes being transferred or exchanged. Terms used in this certificate and not otherwise defined in the Indenture have the meanings set forth in Regulation S under the Securities Act.

[Insert Name of Transferee]

By:  
Name:  
Title:  
Dated:

cc:       IHOP Franchising, LLC  
          450 North Brand Boulevard  
          Glendale, CA 91203

IHOP IP, LLC  
450 North Brand Boulevard  
Glendale, CA 91203

EXHIBIT D

FORM OF TRANSFER/EXCHANGE CERTIFICATE  
FOR TRANSFER/EXCHANGE FROM DEFINITIVE  
NOTE TO DEFINITIVE NOTE

(Transfers and exchanges pursuant to § 2.5(e)(ii) of the Base Indenture)  
[Transferee Certificate]

Wells Fargo Bank, National Association  
Sixth Street and Marquette Avenue, MAC N9311-161  
Minneapolis, MN 55479  
Attn: Corporate Trust Services/Asset Backed Administration

Re: Series 20[ ]-[ ] Notes due [ ] of  
IHOP Franchising, LLC and IHOP IP, LLC (the “Notes”)

Reference is hereby made to the Base Indenture, dated as of March 16, 2007 (the “Base Indenture”), among IHOP Franchising, LLC (the “Issuer”), IHOP IP, LLC (the “Co-Issuer”) and Wells Fargo Bank, National Association, as indenture trustee (the “Indenture Trustee”), supplemented by the Series 20[ ]-[ ] Series Supplement (the “Series Supplement” and, together with the Base Indenture, the “Indenture”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This certificate relates to US\$ principal amount of Notes which are evidenced by one or more Definitive Notes (CUSIP No. [ ]), the beneficial interest of which is held by [insert name of transferor/exchanger] (the “Transferor”). The Transferor has requested a transfer or exchange of such beneficial interest in the Notes to a person (the “Transferee”) who will take delivery thereof in the form of an equal principal amount of Notes evidenced by one or more Definitive Notes (CUSIP No. [ ]).

In connection with such request and in respect of such Notes, the Transferee does hereby certify that it is purchasing the Notes for its own account, or for one or more accounts with respect to which the Transferee exercises sole investment discretion, and the Transferee and each such account is either (a) a QIB and a QP or (b) a QP that is not a U.S. Person. [In addition, the Transferee does hereby certify that it is not a Competitor.]\*

\* Applies only if such restriction is applicable to the Notes to be transferred as set forth in the legend relating to such Notes.

[For purposes of this certificate, “Competitor” means any Person that is a direct or indirect franchisor, franchisee, licensee, owner or operator of a large regional or national family restaurant serving the ‘breakfast daypart’ (as such term is commonly used in the restaurant industry), including but not limited to a Franchisee or Area Licensee; provided, however, that a Person shall not be a Competitor solely by virtue of its direct or indirect ownership of less than five (5) percent of the equity interests in a “Competitor”; provided, further that a franchisee or a licensee shall only be a “Competitor” if it, or its Affiliates, directly or indirectly owns, franchise or licenses in the aggregate ten or more individual locations of a particular concept.]

The Transferee hereby agrees that any future resale, pledge, transfer or exchange of such Notes may be made only (i) to a person who the seller reasonably believes is a QIB (who is also a QP) in a transaction meeting the requirements of Rule 144A, or (ii) in an offshore transaction complying with Rule 903 or Rule 904 (as applicable) of Regulation S under the Securities Act. The Transferee will notify any purchaser of Notes from it of the resale restrictions referred to above, if then applicable.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer, the Co-Issuer and the Initial Purchaser of the initial offering of such Notes being transferred or exchanged. Terms used in this certificate and not otherwise defined in the Indenture have the meanings set forth in Regulation S under the Securities Act.

[Insert Name of Transferee]  
By:  
Name:  
Title:  
Dated: \_\_\_\_\_

cc: IHOP Franchising, LLC  
450 North Brand Boulevard  
Glendale, CA 91203  
  
IHOP IP, LLC  
450 North Brand Boulevard  
Glendale, CA 91203

EXHIBIT E

FORM OF TRANSFER/EXCHANGE CERTIFICATE  
FOR TRANSFER/EXCHANGE FROM GLOBAL NOTE  
NOTE TO BENEFICIAL HOLDER

(Transfers and exchanges pursuant to § [ ] of the Base Indenture)  
[Transferee Certificate]

Wells Fargo Bank, National Association  
Sixth Street and Marquette Avenue, MAC N9311-161  
Minneapolis, MN 55479  
Attn: Corporate Trust Services/Asset Backed Administration

Re: Series 20[ ]-[ ] Notes due [ ] of  
IHOP Franchising, LLC and IHOP IP, LLC (the “Notes”)

Reference is hereby made to the Base Indenture, dated as of March 16, 2007 (the “Base Indenture”), among IHOP Franchising, LLC (the “Issuer”), IHOP IP, LLC (the “Co-Issuer”) and Wells Fargo Bank, National Association, as indenture trustee (the “Indenture Trustee”), supplemented by the Series 20[ ]-[ ] Series Supplement (the “Series Supplement” and, together with the Base Indenture, the “Indenture”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This certificate relates to US\$ principal amount of Notes which are evidenced by one or more [Regulation S] [Rule 144A] Global Notes (CUSIP No. [ ]) and held with DTC, the beneficial interest of which is held by [insert name of transferor/exchanger] (the “Transferor”). The Transferor has requested a transfer or exchange of such beneficial interest in the Notes to a person (the “Transferee”) who will take delivery thereof in the form of an equal principal amount of Notes evidenced by one or more Definitive Notes (CUSIP No. [ ]) which amount, immediately after such transfer, is to be held with the Transferee.

In connection with such request and in respect of such Notes, the Transferee does hereby certify that it is purchasing the Notes for its own account, or for one or more accounts with respect to which the Transferee exercises sole investment discretion, and the Transferee and each such account is either (a) a QIB and a QP or (b) a QP that is not a U.S. Person. [In addition, the Transferee does hereby certify that it is not a Competitor.]\*

\* Applies only if such restriction is applicable to the Notes to be transferred as set forth in the legend relating to such Notes.

[For purposes of this certificate, “Competitor” means any Person that is a direct or indirect franchisor, franchisee, licensee, owner or operator of a large regional or national family restaurant serving the ‘breakfast daypart’ (as such term is commonly used in the restaurant industry), including but not limited to a Franchisee or Area Licensee; provided, however, that a Person shall not be a Competitor solely by virtue of its direct or indirect ownership of less than five (5) percent of the equity interests in a “Competitor”; provided, further that a franchisee or a licensee shall only be a “Competitor” if it, or its Affiliates, directly or indirectly owns, franchise or licenses in the aggregate ten or more individual locations of a particular concept.]

The Transferee hereby agrees that any future resale, pledge, transfer or exchange of such Notes may be made only (i) to a person who the seller reasonably believes is a QIB (who is also a QP) in a transaction meeting the requirements of Rule 144A, or (ii) in an offshore transaction complying with Rule 903 or Rule 904 (as applicable) of Regulation S under the Securities Act. The Transferee will notify any purchaser of Notes from it of the resale restrictions referred to above, if then applicable.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer, the Co-Issuer and the Initial Purchaser of the initial offering of such Notes being transferred or exchanged. Terms used in this certificate and not otherwise defined in the Indenture have the meanings set forth in Regulation S under the Securities Act.

[Insert Name of Transferee]  
By:  
Name:  
Title:  
Dated: \_\_\_\_\_

cc:        IHOP Franchising, LLC  
            450 North Brand Boulevard  
            Glendale, CA 91203  
  
            IHOP IP, LLC  
            450 North Brand Boulevard  
            Glendale, CA 91203



**EXHIBIT F**

**FORM OF REVOCABLE STANDING INSTRUCTION**

[Letterhead of IHOP Franchising , LLC]

Wells Fargo Bank, National Association,  
as Lock-Box Bank

LA RCBO  
333 South Grand Ave, 3rd Floor  
Los Angeles, CA 90071  
Attn: [John Cate]

March 16, 2007

Re: IHOP Franchising, LLC

Reference is made to the base indenture, dated as of March 16, 2007, among IHOP Franchising, LLC (the “Issuer”), IHOP IP, LLC (the “Co-Issuer”) and Wells Fargo Bank, National Association (the “Indenture Trustee”) (together with any Series Supplement, as may be amended or supplemented, the “Indenture”). All capitalized terms not defined herein shall have the meanings assigned to them under the Indenture.

In accordance with Section 10.9(v) of the Indenture, the Issuer hereby instructs the Lock-Box Bank to withdraw all funds on deposit in the Residual Account on each Weekly Allocation Date (after all deposits to such account have been made on such date, but excluding any portion of such funds on deposit therein as the Issuer determined are to be applied to the repayment, decrease or other reduction of the balance under any Series of Notes (together with any interest or other amounts payable thereunder in connection with such repayment, decrease or other reduction), which the Issuer shall instruct to be so applied (and for no other purpose) and transfer such amount by wire transfer to the following account at [BANK], Account # (the “Standing Instruction”).

IHOP Holdings hereby (a) acknowledges and agrees that pursuant to the Standing Instruction, all funds it would otherwise receive as dividends from the Issuer in accordance with the Issuer’s limited liability company agreement will be paid as distributions from it directly to International House of Pancakes, Inc. and (b) directs the Issuer to cause such funds to be transferred to IHOP Inc. pursuant to the Standing Instruction.

This Standing Instruction is revocable by each of the Issuer and IHOP Holdings at any time and for any reason; provided, however, that such revocation shall be received by the Indenture Trustee at least five (5) Business Days prior to its effectiveness.

EX-F-1

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Very truly yours,

IHOP Franchising, LLC

By: \_\_\_\_\_  
Name:  
Title

Acknowledged and agreed,

IHOP Holdings, LLC

By: \_\_\_\_\_  
Name:  
Title:

Wells Fargo Bank, National Association,  
as Lock-Box Bank

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT J**  
**FORM OF WEEKLY SERVICER'S REPORT**

EX-J-1

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EXHIBIT K

FORM OF MONTHLY SERVICER’S CERTIFICATE

[DATE]

Series 20[ ]-[ ] Notes  
Monthly Collection Period: [MM/DD/YY] — [MM/DD/YY]  
Payment Date: [MM/DD/YY]

Reference is made to the Base Indenture, dated as of March 16, 2007, among IHOP Property Leasing, LLC, IHOP IP, LLC and Wells Fargo Bank, National Association (as amended, supplemented and otherwise modified from time to time, the “Indenture”) and the Servicing Agreement, dated as of March 16, 2007, among IHOP Franchising, LLC, IHOP IP, LLC, IHOP Property Leasing, LLC, IHOP Properties, LLC, IHOP Real Estate, LLC, International House of Pancakes, Inc., IHOP Corp., and Wells Fargo Bank, National Association (the “Servicing Agreement”). Capitalized terms otherwise not defined herein shall have the meaning assigned to them in the Indenture or the Servicing Agreement.

This Monthly Servicer’s Certificate is delivered pursuant to Section 12.1(b) of the Indenture and Section 3.1(c) of the Servicing Agreement. The undersigned, on behalf of the Servicer, hereby certifies as follows:

(A) Attached is a true and correct copy of the Monthly Servicer’s Report; and

(B) Except as otherwise previously provided in any other notices, no Servicer Termination Event, Event of Default or Default has occurred or is continuing.

By: \_\_\_\_\_  
Name:  
Title:

[ATTACH MONTHLY SERVICER’S REPORT]

**EXHIBIT L**  
**FORM OF MONTHLY SERVICER'S REPORT**

EX-L-1

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EXHIBIT M

FORM OF MONTHLY NOTEHOLDERS’ STATEMENT

[DATE]

Series 20[ ]-[ ] Notes

Monthly Collection Period: [MM/DD/YY] — [MM/DD/YY]

Payment Date: [MM/DD/YY]

Reference is made to the Base Indenture, dated as of March 16, 2007, among IHOP Property Leasing, LLC, IHOP IP, LLC and Wells Fargo Bank, National Association (as amended, supplemented and otherwise modified from time to time, the “Indenture”) and the Servicing Agreement, dated as of March 16, 2007, among IHOP Franchising, LLC, IHOP IP, LLC, IHOP Property Leasing, LLC, IHOP Properties, LLC, IHOP Real Estate, LLC, International House of Pancakes, Inc., IHOP Corp., and Wells Fargo Bank, National Association (the “Servicing Agreement”). Capitalized terms otherwise not defined herein shall have the meaning assigned to them in the Indenture or the Servicing Agreement.

This Monthly Noteholders’ Statement is delivered pursuant to Section 12.1(c) of the Indenture and Section 3.1(b) of the Servicing Agreement. The undersigned, on behalf of the Servicer and the Issuer, hereby certifies as follows:

(A) To the knowledge of the Servicer, the historical information contained herein is true and correct in all material respects;

(B) The forward looking information contained herein has been prepared in good faith based on information in the Servicer’s possession and/or reasonably available to the Servicer as of the date hereof; and

(C) Except as otherwise set forth herein, the Servicer has performed in all material respects its obligations under each Transaction Document since the date of the previously delivered Monthly Noteholders’ Statement.

By: \_\_\_\_\_  
Name:  
Title:

[ATTACH MONTHLY SERVICER’S REPORT]

**EXHIBIT Q**

**FORM OF LIEN FILING INSTRUMENT (INTELLECTUAL PROPERTY)**

EX-Q-1

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SERVICING AGREEMENT

Dated as of March 16, 2007

among

IHOP FRANCHISING, LLC, as Issuer,

IHOP IP, LLC, as Co-Issuer,

IHOP PROPERTY LEASING, LLC,

IHOP PROPERTIES, LLC,

IHOP REAL ESTATE, LLC,

INTERNATIONAL HOUSE OF PANCAKES, INC., as Servicer,

IHOP CORP., as Guarantor

and

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

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SERVICING AGREEMENT

This SERVICING AGREEMENT, dated as of March 16, 2007 (this “Agreement”), is entered into by and among IHOP Franchising, LLC, a Delaware limited liability company (the “Issuer”), IHOP IP, LLC (the “IP Company” or “Co-Issuer”), IHOP Property Leasing, LLC, a Delaware limited liability company (“IHOP Property Leasing”), IHOP Properties, LLC, a Delaware limited liability company (“IHOP Properties”), IHOP Real Estate, LLC, a Delaware limited liability company (“IHOP Real Estate”), International House of Pancakes, Inc., a Delaware corporation, (“IHOP Inc.”), IHOP Corp., a Delaware corporation (“Guarantor”), and Wells Fargo Bank, National Association, as indenture trustee (the “Indenture Trustee”). For all purposes of this Agreement, capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed thereto in Annex A to the Indenture (as defined below).

RECITALS

WHEREAS, the Issuer and the Co-Issuer have entered into a Base Indenture, dated as of the date hereof, with the Indenture Trustee (together with any Series Supplement, as may be amended or supplemented, the “Indenture”), pursuant to which the Issuer and the Co-Issuer may issue one or more series of notes (collectively, the “Notes”) from time to time, on the terms described therein;

WHEREAS, pursuant to the Indenture, as security for the indebtedness represented by the Notes and the other Secured Obligations, the Issuer and the Co-Issuer and the other Securitization Entities are and will be granting to the Indenture Trustee on behalf of the Secured Parties, a security interest in the Collateral;

WHEREAS, from and after the date hereof, all New Assets (as defined below) will be originated by the Issuer following the Closing Date;

WHEREAS, the Issuer, the Co-Issuer and the other Securitization Entities desire to jointly engage the Servicer, and each of them desires to have the Servicer enforce its rights and powers and perform its duties and obligations under the Serviced Documents (as defined below) and the Transaction Documents (as defined below) to which it is party in accordance with the Servicing Standard (as defined below);

WHEREAS, each of the Issuer, the Co-Issuer and the other Securitization Entities deems it beneficial and efficient to become a party to this Agreement;

WHEREAS, each of the Securitization Entities desires to have the Servicer enter into certain agreements and acquire certain assets from time to time on its behalf, in each case in accordance with the Servicing Standard;

WHEREAS, the IP Company desires to appoint the Servicer as its agent for providing comprehensive intellectual property acquisition, management, enforcement, licensing, contract administration services, and any other duties or services in connection with the maintenance of the IP Assets (as defined below) in accordance with the Servicing Standard;

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WHEREAS, the Servicer desires to enforce such rights and powers and perform such obligations and duties, all in accordance with the Servicing Standard; and

WHEREAS, each of the Issuer, the Co-Issuer, and the other Securitization Entities desires to enter into this Agreement to provide for, among other things, the servicing of the respective rights, powers, duties and obligations of the Issuer, Co-Issuer and the other Securitization Entities, as applicable, under or in connection with the Asset Transfer Agreements, the Franchise Assets (as defined below), the IP Assets, and the Issuer’s equity interests in the IP Company, IHOP Properties, IHOP Property Leasing, and IHOP Real Estate, and any other assets acquired by or transferred to the Issuer (including such assets relating to Type 3 IHOP Restaurants if and when acquired by the relevant Securitization Entity) or any of its Subsidiaries (the “Serviced Assets”) by the Servicer, all in accordance with the Servicing Standard.

NOW THEREFORE, in consideration of the premises and the mutual agreements hereinafter set forth, the parties hereto agree as follows:

**ARTICLE I**  
**DEFINITIONS**

Section 1.1 Certain Definitions. Capitalized terms used herein but not otherwise defined herein or in Annex A to the Indenture shall have the following meanings:

“Accountants’ Report” has the meaning set forth in Section 3.3 hereof.

“Additional Securitization Entity” means any entity that becomes a direct or indirect wholly owned Subsidiary of the Issuer or any other Securitization Entity after the Closing Date in accordance with and as permitted under the Related Documents.

“Advertising Funds Account” has the meaning set forth in Section 2.1(k) hereof.

“Advertising Funds” has the meaning set forth in Section 2.1(k) hereof.

“Administrative Services” means basic administrative services, including bookkeeping and accounting services, payroll services and other services which operating companies frequently outsource to third parties.

“Advertising Fees” has the meaning specified in the Indenture.

“After Acquired IP Assets” means (a) any variations on, and applications and registrations for, the IHOP Brand not in existence as of the Closing Date and (b) any Intellectual Property, throughout the world, that is created, developed or acquired by the Issuer, IHOP Corp., the Servicer, IHOP Holdings, any other Securitization Entity or any Affiliate of the foregoing after the date hereof and during the term of the IP License Agreement that (i) relates to any business, products or services offered under the IHOP Brand or (ii) is based on or derivative of the IP Assets (which will be assigned to the Co-Issuer pursuant to the Transaction Documents).

“Agreement” has the meaning set forth in the preamble hereto.

“Area License Agreements” means the existing area license agreements entered into by the Servicer or any Affiliate thereof and Area Licensees and all future area license agreements to be entered into by the Issuer and Area Licensees, excluding the area license agreement covering British Columbia, Canada.

“Area Licensee” means an area licensee under any Area License Agreement.

“Asset Transfer Agreements” means, collectively, (i) the Parent Asset Sale Agreement, dated as of the date hereof, between the IHOP Inc. and IHOP Holdings, (ii) the Holdings Asset Sale Agreement, dated as of the date hereof, between IHOP Holdings and the Issuer, (iii) the Owned Real Property Asset Sale Agreement, dated as of the date hereof, between IHOP Holdings and IHOP Real Estate, (iv) the Type 1 Property Leases Asset Sale Agreement, dated as of the date hereof, among IHOP Properties, IHOP Realty, Corp. and IHOP Property Leasing, and (v) the Intellectual Property Asset Contribution Agreement, dated as of the date hereof, between the Issuer and the IP Company.

“Back-Up Servicer” means FTI Consulting Inc., in its capacity as back up servicer pursuant to the Back-Up Servicer Agreement, and any successor Back-Up Servicer.

“Back-Up Servicer Proposal” has the meaning set forth in Section 6.1(c) hereof.

“Back-Up Services” has the meaning set forth in Section 6.1(b) hereof.

“Business” means the business conducted by IHOP Corp. and its Affiliates immediately prior to the Closing Date primarily relating to the operation of restaurants in the “family dining” category that primarily target the “breakfast daypart” (as such term is commonly used in the restaurant industry) segment.

“Co-Issuer” has the meaning set forth in the preamble hereto.

“Collection Practices” has the meaning set forth in Section 4.11(a) hereto.

“Competitive Business” means any business conducted under the IHOP Brand or any business identified on Schedule A hereto.

“Confidential Information” means trade secrets and other information (including know how, ideas, techniques, customer lists, customer information, business methods and processes, marketing plans, specifications, and other similar information) that is confidential and proprietary to its owner and that is disclosed by one party hereto (the “Discloser”) to another party hereto (the “Recipient”) in writing or other tangible form and designated as confidential, or, if disclosed orally, is identified as confidential and is confirmed in writing thereafter.

“Continuing Franchise Fees” means all royalty fees, transfer fees, renewal fees, license fees and any similar fees, interest on late payments, damages for breach, indemnities or insurance recoveries, due and to become due under or in connection with a Franchise Agreement or an Area License Agreement.

“Criteria” has the meaning set forth in Section 3.3 hereof.

“Current Practice” means, in respect of any action or inaction, the performance standards of IHOP Corp. and its Subsidiaries (including, without limitation, the Former Franchisor) immediately prior to the Closing Date.

“Debt” as applied to any Person, means, without duplication, (a) all indebtedness for borrowed money in any form, including derivatives, (b) that portion of obligations with respect to any lease of any property (whether real, personal or mixed) that is properly classified as a liability on a balance sheet in conformity with GAAP, including all capitalized lease obligations incurred by such Person, (c) notes payable, (d) any obligation owed for all or any part of the deferred purchase price for property or services, which purchase price is (i) due more than six months from the date of the incurrence of the obligation in respect thereof or (ii) evidenced by a note or similar written instrument (other than an earn out obligation until such obligation becomes a liability on the balance sheet of such Person under GAAP), (e) all indebtedness secured by any Lien on any property or asset owned by that Person or is nonrecourse to the credit of that Person and (f) all contingent obligations of such Person in respect of the foregoing. Notwithstanding the foregoing, Debt shall not include any liability for federal, state, local or other Taxes owed or owing to any governmental entity.

“Defective Asset Damages Amount” means, with respect to any New Franchise Document that is a Defective New Asset, an amount equal to the product of (i) the quotient obtained by dividing (a) the sum of all Franchise Payments under such New Franchise Document received for (1) the 12 months immediately preceding the date such New Franchise Document became a Defective New Asset or (2) the period commencing on the applicable New Asset Addition Date and ending on the date such New Franchise Document became a Defective New Asset, whichever is shorter (the “Measurement Period”), by (b) the aggregate amount of all revenues received under all Franchise Documents during the Measurement Period and (ii) the Aggregate Outstanding Principal Amount plus any accrued and unpaid interest on such Aggregate Outstanding Principal Amount, determined as of the date such New Franchise Document became a Defective New Asset.

“Defective New Asset” means (i) any New Asset (other than any Non-Conforming New Franchise Document) that does not satisfy the applicable representations and warranties of ARTICLE V on the New Asset Addition Date for such New Asset or (ii) any Defective Non-Conforming New Franchise Document.

“Defective Non-Conforming New Franchise Document” means each Non-Conforming New Franchise Document in excess of (i) 20 during any successive 12 month period following the Closing Date or (ii) 60 in the aggregate at any time; provided, however, that each New Franchise Document that was at one time a Non-Conforming New Franchise Document but is subsequently modified such that the conditions under the definition of Non-Conforming New Franchise Document are no longer applicable shall be deducted from the foregoing calculations of Non-Conforming New Franchise Documents as of the time of such modification.

“Discloser” has the meaning set forth in the definition of “Confidential Information.”

“Disentanglement” has the meaning set forth in Section 6.2(a) hereof.

“Disentanglement Period” has the meaning set forth in Section 6.2(c) hereof.

“Disentanglement Services” has the meaning set forth in Section 6.2(a) hereof.

“EFT” has the meaning set forth in Section 5.1(a)(v) hereof.

“Existing Franchise Document” means any Franchise Document entered into by IHOP Inc. or any Affiliate prior to the Closing Date.

“Foreign/Type 3 IP License Agreement” means the Intellectual Property License Agreement (Foreign/Type 3), dated as of the date hereof, between IHOP Inc., as licensee, and the IP Company, as licensor, and any and all amendments and supplements thereto.

“Former Franchisor” means, with respect to any Franchise Agreement, Area License Agreement or Development Agreement, the Servicer or any Affiliate thereof, as applicable, that originally entered into such Franchise Agreement, Area License Agreement or Development Agreement as franchisor thereunder prior to the Closing Date.

“Franchise Arrangement” means any Franchise Document or any other contract, agreement or arrangement between the Issuer or any of its Affiliates and any franchisee.

“Franchise Assets” has the meaning set forth in the Indenture.

“Franchise Documents” means Franchise Agreements, Area License Agreements, Development Agreements, Franchise Notes, Equipment Leases, Property Leases, Franchise Leases, Franchise Subleases, Product Sourcing Agreements and other agreements to which the Former Franchisor or its Affiliates, the Issuer and/or a Franchisee or Area Licensee is a party in connection with the franchise system, together with any modifications, amendments, extensions or replacements of the foregoing.

“Franchisee Insurance Policy” means any insurance policy or policies required to be maintained by a Franchisee or Area Licensee for the benefit of the Issuer or any of its Affiliates, whether direct or indirect and whether or not the Issuer or any of its Affiliates is an additional insured, pursuant to the Franchise Agreements and/or Area License Agreements.

“Franchisee Insurance Proceeds” means any amounts paid upon settlement of a claim filed under a Franchisee Insurance Policy, net of direct fees, out of pocket costs and disbursements incurred in connection with the collection thereof.

“Franchisee Lease Payments” means the rental payments and any other amounts paid by any franchisee pursuant to any Franchisee Lease or Franchisee Sublease.

“Governmental Authority” the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.



“Guarantee” has the meaning set forth in Section 8.1 hereof.

“Guarantor” has the meaning set forth in the preamble hereto.

“IHOP Brand” means the name and mark “IHOP” or “International House of Pancakes”, alone or in combination with other words or symbols, any variations or derivative thereof, and any names or marks confusingly similar thereto.

“IHOP Corp. IP License Agreement” means the IHOP Corp. IP License Agreement, dated as of the date hereof, between IHOP Corp., as licensee, and the IP Company, as licensor, and any and all amendments and supplements thereto.

“IHOP Operated Restaurant Sub-license Agreement” means the sublicense agreement, dated as of the date hereof, between IHOP Corp. and the Issuer, as amended, modified or supplemented from time to time.

“Indemnatee” has the meaning set forth in Section 2.7 hereof.

“Indenture” has the meaning set forth in the recitals hereto.

“Indenture Trustee” has the meaning set forth in the preamble hereto.

“Indenture Trustee Indemnatee” has the meaning set forth in Section 2.7(d) hereof.

“Independent Accountants” has the meaning set forth in Section 3.2 hereof.

“Initial Franchisee Fees” means all initial franchise fees due and to become due under or in connection with any Franchise Agreement, subject to any reduction in accordance with the terms of the applicable Development Agreement.

“Intellectual Property” means all (i) Trademarks; (ii) patents and industrial designs (including any continuations, divisionals, continuations in part, renewals, reissues, and applications for any of the foregoing (“Patents”)); (iii) rights in computer programs, documentation and databases, including copyrights therein (“Software”); (iv) copyrights (including any registrations and applications for copyright registrations) and copyrights in unpublished and published works (“Copyrights”); (v) trade secrets and other confidential information; and (vi) any registration, applications for registration or issuance, recordings, renewals and extensions relating to any of the foregoing.

“IP Assets” means the IHOP Brand and all (i) Intellectual Property relating to the IHOP Brand owned by the Co-Issuer as of the date hereof including, but not limited to, the Intellectual Property transferred to the IP Company pursuant to the applicable Asset Transfer Agreements and (ii) any After Acquired IP Assets.

“IP Company” has the meaning set forth in the preamble.

“IP License Agreement” means the Intellectual Property License Agreement, dated as of the date hereof, between the Issuer and the IP Company, and any and all amendments and supplements thereto.

“IP Licensee Services” means performing the Issuer’s obligations as licensee under the IP License Agreement and exercising the Issuer’s rights as licensee under the IP License Agreement on behalf of the Issuer.

“IP Management Services” means performing the IP Company’s obligations as licensor under the IP License Agreement, the Foreign/Type 3 IP License Agreement, the IHOP Corp. IP License Agreement (and under any other agreements pursuant to which the IP Company licenses the use of any IP Assets), exercising the IP Company’s rights as licensor under the IP License Agreement, the Foreign/Type 3 IP License Agreement, IHOP Corp. IP License Agreement (and under any other agreements pursuant to which the IP Company licenses the use of any IP Assets), exercising the Issuer’s rights on behalf of the Issuer and performing the Issuer’s obligations as sublicensor under the IHOP Operated Restaurant Sublicense Agreement (or other sublicense agreement issued under the IP License Agreement) and to maintain, enforce, and defend the IP Company’s rights in and to the IP Assets, on behalf of the IP Company, including by way of example, without limitation, the following activities:

- (a) searching, screening and clearing After Acquired IP Assets to avoid potential infringement;
- (b) filing, prosecuting, and maintaining applications and registrations for the Trademark Assets, anywhere in the world, in the IP Company’s name, including, timely filing of evidence of use, applications for renewal and affidavits of use and/or incontestability, including the timely payment of all registration and maintenance fees, responding to third party oppositions of trademark applications or registrations, responding to any office action or other examiner requests;
- (c) monitoring third party use and registration of trademarks and servicemarks and taking appropriate actions to oppose or contest any infringing or potentially infringing trademarks, service marks, trade dress, designs, logos, or other indicia of origin, and any applications to register the same;
- (d) enforcing the IP Company’s legal title in and to the IP Assets, including, obtaining written assignments of IP Assets to the IP Company, and recording transfers of title in the appropriate Intellectual Property registry;
- (e) exercising the IP Company’s rights, and performing the IP Company’s obligations, under the IP License Agreement, the Foreign/Type 3 IP License Agreement, the IHOP Corp. IP License Agreement and any Transaction Documents or other agreements to which the IP Company is a party, licensing the use of any Intellectual Property, including monitoring the licensee’s use of the Licensed IP Assets and the quality of its goods and services offered in connection with any licensed Trademark Assets, rendering approvals (or disapprovals) that are required under the applicable license agreement(s), and the ensuring that any use of the IP Assets satisfies the quality control standards and usage provisions of such license agreement

and is in compliance with all applicable laws and the requirements of each of the Transaction Documents;

(f) filing, prosecuting, and maintaining applications and registrations for patents anywhere in the world, in the IP Company's name, (including divisionals, continuation in parts, provisionals, and reissues); maintaining the registrations for any patents, including, timely payment of maintenance and registration fees, responding to office actions, requests for reexamination, interferences, and any other patent office requests or requirements;

(g) filing, prosecuting and maintaining applications and registrations for copyrights and other Intellectual Property, anywhere in the world, in the IP Company's name, including timely payment of maintenance and registrations fees, as applicable, responding to office actions, and other copyright office (or other Intellectual Property office) requests or requirements;

(h) to protect, police, and, in the event that the Servicer becomes aware of any unlicensed copying, imitation, infringement, dilution, misappropriation and/or unauthorized use of the IP Assets, or any portion thereof, enforcing such IP Assets, including, without limitation, (i) preparing and responding to and further prosecuting cease and desist, demand and notice letters, and requests for a license; and (ii) commencing, prosecuting and/or resolving a claim or suit against imitation, infringement, dilution, misappropriation and/or the unauthorized use of the IP Assets, and seeking all appropriate monetary and equitable remedies in connection therewith; provided that the IP Company agrees to join as a party to any such suits to the extent necessary to maintain standing;

(i) performing such functions and duties, and preparing and filing such documents, as are required under the Indenture or any other Transaction Document to be performed, prepared and/or filed by the IP Company, including (i) executing and recording such financing statements (including continuation statements) or amendments thereof or supplements thereto or such other instruments as the Indenture Trustee and Co-Issuer together or any Insurer (so long as it is a Series Controlling Party) may from time to time reasonably request in connection with the security interests in the IP Assets granted by the IP Company to the Indenture Trustee under the Indenture and (ii) preparing, executing and delivering grants of security interests or any similar instruments as the Indenture Trustee and the Co-Issuer together or any Insurer (so long as it is a Series Controlling Party) may from time to time reasonably request that are intended to evidence such security interests in the IP Assets and recording such grants or other instruments with the relevant authority including the U.S. Patent and Trademark Office, the U.S. Copyright Office, or any applicable foreign intellectual property office;

(j) taking such actions as the Issuer may reasonably request that are required by the terms, provisions and purposes of the IP License Agreement, the Foreign/Type 3 IP License Agreement, the IHOP Corp. IP License Agreement (and any other license agreement under which the IP Company is licensor) or any other Transaction Document to be taken by the IP Company; and preparing (or causing to be prepared) for execution by the IP Company all documents, certificates and other filings as the IP Company shall be required to prepare and/or file under the terms of such Intellectual Property license agreements;

(k) paying or causing to be paid or discharged any and all taxes, charges and assessments that may be levied, assessed or imposed upon any of the IP Assets or contesting the same in good faith; and

(l) licensing the IP Assets to any Securitization Entity, including any Additional Securitization Entity, from time to time, in each case in accordance with the terms of the Transaction Documents;

(m) with respect to trade secrets, and other Confidential Information of the IP Company, taking all necessary or desirable measures to maintain confidentiality and to prevent any non confidential disclosure.

“IP Services” means, collectively, the IP Licensee Services and the IP Management Services.

“Issuer” has the meaning set forth in the preamble hereto.

“Lease Amounts Payable” means with respect to any Property Lease, any amounts payable by any Securitization Entity to any third party landlord or otherwise pursuant to the terms of such Property Lease including, without limitation, rent, management fees, brokerage fees, insurance fees, utilities costs and insurance proceeds required to be reinvested in the related Leased Property.

“Leased Property” has the meaning set forth in the Holdings Asset Sale Agreement.

“Monthly Noteholders’ Statement” has the meaning set forth in Section 3.1(b) hereof.

“Measurement Period” has the meaning set forth in the definition of “Defective Asset Damages Amount”.

“Mystery Shop Program” means the quality control program implemented by the Former Franchisor and maintained by the Servicer, pursuant to which an independent third party conducts unannounced and anonymous visits to Restaurants during each quarter to evaluate the food quality, cleanliness, service and other aspects of the guest experience at such Restaurants.

“Negative Lease” means, with respect to any month, a New Franchisee Lease that is reasonably expected to yield negative Net Rental Revenue during that month.

“Net Rental Revenue” means, with respect to any New Franchisee Lease and New Franchisee Sublease and any month the difference between (a) all Franchisee Lease Payments that are reasonably expected to be received from the franchisee on such New Franchisee Lease and New Franchisee Sublease during that month minus (b) all Lease Amounts Payable, if any, that are reasonably expected to be made to the applicable prime lessor during that month.

“New Asset” means a New Franchise Document, a New Leased Real Property or a New Owned Real Property or any other Serviced Asset acquired or entered into after the Closing Date.

“New Asset Addition Date” means, with respect to any New Asset, the earliest of (i) the date on which such New Asset is acquired by a Securitization Entity, (ii) the later of (a) the date upon which the closing occurs under the applicable contract giving rise to such New Asset and (b) the date upon which all of the diligence contingencies in the contract for purchase of the applicable New Asset expire and the Securitization Entity acquiring such New Asset no longer has the right to cancel such contract and (iii) the date on which a Securitization Entity begins receiving Continuing Franchise Fees or Franchisee Lease Payments with respect to such New Asset.

“New Franchise Document” means any Franchise Document entered into by any of the Securitization Entities (including any amendment, modification, renewal, waiver or adjustment, in writing or otherwise, in respect of a Franchise Document entered into prior to or on the Closing Date other than such Franchise Document constituting a Non-Conforming Existing Franchise Document) after the Closing Date.

“New Leased Real Property” means any real property leased by IHOP Property Leasing or IHOP Properties, as applicable, from a third-party Property Lessor in respect of which the lease was entered into after the Closing Date.

“New Owned Real Property” means any real property owned by IHOP Real Estate and acquired after the Closing Date.

“New Property” means, collectively, the New Owned Real Property and the New Leased Real Property.

“Non-Conforming Existing Franchise Document” has the meaning specified under the Parent Asset Sale Agreement.

“Non-Conforming New Franchise Document” means any New Franchise Document as to which (i) in the case of a Franchise Agreement with respect to any date of determination, the effective weekly royalty rate will be lower than 1.0% as of that date or (ii) in the case of a Property Lease and the related Franchisee Sublease for any month, the Net Rental Revenue yield for the applicable leases during such month is negative.

“Notes” has the meaning set forth in the recitals hereto.

“Offering Circular” means the final base offering circular and supplemental Offering Circular relating to a Series of Notes that is offered pursuant to such document.

“Operational Audits” means the comprehensive inspection and evaluation program of the food, services, sanitation, appearance, employee training, equipment maintenance or sales reporting of the Restaurants and Franchisees in order to verify each Restaurant and Franchisee’s compliance with the technical and operational standards under the Current Practice.

“Permitted Liens” has the meaning set forth in the Indenture.

“Post Closing Assets” has the meaning set forth in Section 5.1(a) hereof.

“Post Opening Services” means the services required to be performed under the Franchise Agreements or otherwise in connection with the Franchise Arrangements by the Franchisor, including without limitation, (a) the maintenance of a continuing advisory relationship with Franchisees, including consultation in the areas of marketing, merchandising and general business operations; (b) the provision to each Franchisee of the standards established or approved by the IP Company for use of the IHOP Brand and other Trademark Assets; (c) the establishment of standards of quality, cleanliness, appearance and service at all Restaurants; (d) the dissemination of the standards described in subsection (c) above to potential suppliers of products at the written request of any Franchisee, (e) the administration of the advertising funds described in the applicable Franchise Agreements and the direction of the development of all advertising and promotional programs for the IHOP Brand; (f) the inspection of the Stores operated by each Franchisee; and (g) such other post opening services as are required to be performed under the Franchise Agreements or otherwise in connection with the Franchise Arrangements by the Franchisor.

“Power of Attorney” means the authority granted by the IP Company to the Servicer pursuant to a Power of Attorney in substantially the form set forth as Exhibit B hereto.

“Pre-Closing Date Net Collections Payment” means, with respect to any Serviced Asset hereunder, all collections and revenues received by IHOP Corp., IHOP Inc. or their affiliates relating or attributable to such Serviced Asset, including without limitation, all Franchise Payments, for the period commencing on the Cut-Off Date and ending on the Closing Date.

“Pre-Opening Services” means, the services required to be performed under the Franchise Agreements or otherwise in connection with the Franchise Arrangements by the Franchisor, including without limitation, (a) the provision to each Franchisee of standards for the design, construction, equipping and operation of the Restaurant and the approval of locations meeting such standards; (b) the provision to individuals designated by the Franchisee of the then current initial training program to be conducted at one or more training centers or other locations designated by the Servicer; (c) the provision to each Franchisee of operating procedures to assist each Franchisee in complying with the standard methods of record keeping, controls, staffing, quality control and training requirements and production methods; (d) the provision to each Franchisee of operating procedures to assist each Franchisee in developing approved sources of supply; and (e) the provision to each Franchisee of such other assistance in the pre opening, opening and initial operation of the franchise as are required to be provided under the Franchise Agreements or otherwise in connection with the Franchise Arrangements by the Franchisor.

“Prior Terms” means, in respect of each type of contract included in New Franchise Documents, the contractual terms and provisions, exclusive of the applicable rates for Initial Franchise Fees or Continuing Franchise Fees, Advertising Fees and similar fees and expenses, that were generally prevailing for agreements of such type, entered into by a Former Franchisor on or before the Closing Date.

“Product Sourcing Agreements” means any agreement relating to the manufacture or distribution of products for sale to a Securitization Entity for resale to Franchisees.

“Properties” means, collectively, the Owned Real Property and the Leased Property.

“Quality Control Programs” means the Operational Audits and the Mystery Shop Program and any other similar, successor or additional programs implemented for quality control purposes.

“Real Estate Services” means:

- (a) the negotiation, execution and recording of leases, deeds and other contracts and agreements relating to the Realty Assets on behalf of any Securitization Entity or Additional Securitization Entity;
- (b) the management of the Realty Assets, including without limitation (i) the enforcement of the Property Leases, the Franchisee Leases and the Franchisee Subleases, (ii) the payment, extension, renewal, modification adjustment, prosecution, defense, compromise or submission to arbitration or mediation of any obligation, suit, liability, cause of action or claim, including taxes, and (iii) the collection of any amounts payable to any Securitization Entity, including without limitation rent;
- (c) causing the Real Estate Subs or any Additional Securitization Entity created for such purpose to (i) acquire and enter into agreements to acquire Realty Assets and (ii) sell, assign, transfer, encumber or otherwise dispose of all or any portion of the Realty Assets;
- (d) environmental evaluation and remediation activities on any real property owned or leased by a Securitization Entity;
- (e) obtaining and renewing appropriate levels of title insurance for the Owned Real Property;
- (f) making or causing to be made all repairs and replacements to the existing improvements and the construction of new improvements on the Realty Assets;
- (g) the employment of agents, managers, brokers or other persons necessary or appropriate to acquire, dispose of, maintain, own, lease, manage and operate the Realty Assets;
- (h) paying or causing to be paid any and all taxes, charges and assessments that may be levied, assessed or imposed upon any of the Realty Assets or contesting the same in good faith;
- (i) negotiations with Franchisees or Area Licensees with respect to properties owned by Franchisees or Area Licensees or leased by Franchisees or Area Licensees from a third party landlord and entering any documentation with respect to the same; and

(j) all other actions or decisions relating to the acquisition, disposition, maintenance, ownership, leasing, management and operation of the Realty Assets, all in accordance with the Servicing Standard.

“Real Estate Subs” means IHOP Properties, IHOP Property Leasing, and IHOP Real Estate.

“Realty Assets” means, collectively, (i) the Owned Real Property, (ii) the Leased Property, (iii) the Property Leases, (iv) the Franchisee Leases and (v) the Franchisee Subleases.

“Recipient” has the meaning ascribed to such term in the definition of “Confidential Information”.

“Requirements of Law” means with respect to any Person or any of its property, the certificate of incorporation or articles of association and by laws, limited liability company agreement, partnership agreement or other organizational or governing documents of such Person or any of its property, and any law, treaty, rule or regulation, or determination of any arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, whether federal, state, local or foreign (including, without limitation, usury laws, the Federal Truth in Lending Act and retail installment sales acts).

“Restaurant” means a restaurant now or hereafter operated under the IHOP Brand.

“Serviced Affiliate” has the meaning set forth in Section 4.10 hereto.

“Serviced Assets” has the meaning set forth in the recitals hereto.

“Serviced Document” means any contract, agreement, arrangement or understanding relating to any of the Serviced Assets, including, without limitation, the Asset Transfer Agreements, Credit Agreements, Franchise Documents, IP License Agreement, the Foreign/Type 3 IP License Agreement and the IHOP Operated Restaurant Sub-license Agreement.

“Servicer” means IHOP Inc. in its capacity as Servicer hereunder.

“Servicer Termination Event” has the meaning set forth in Section 6.1(a).

“Services” means the servicing and administration by the Servicer of the Serviced Assets, in each case in accordance with the terms of this Agreement (including, for the avoidance of doubt, the Servicing Standard), the Indenture, the other Transaction Documents and the Serviced Documents, as agent for the applicable Securitization Entity, including, without limitation:

(a) calculating and compiling information required in connection with any report to be delivered pursuant to this Agreement or the Indenture;



- (b) preparing and filing of all tax returns and tax reports required to be prepared by any Securitization Entity;
- (c) paying or causing to be paid or discharged any and all taxes, charges and assessments required to be paid under applicable requirements of law by any securitization entity;
- (d) performing the duties and obligations of the Securitization Entities pursuant to the Transaction Documents;
- (e) selecting the assets to be acquired or otherwise transferred in accordance with the applicable Asset Transfer Agreement;
- (f) performing the duties and obligations of the Issuer required pursuant to the Franchise Agreements, Area License Agreements and Development Agreements, including, without limitation, causing payments (other than Advertising Fees) to be deposited to the Lock-Box Account, providing a Franchisee with operations and management assistance, access to advertising and marketing materials, information and program updates and ongoing training programs for such Franchisee and its employees in accordance with the terms thereunder and in accordance with the Servicing Standard;
- (g) on behalf of the Issuer, selecting and approving the new Franchisee and providing personnel to manage the selection and approval process;
- (h) on behalf of the Issuer, preparing New Franchise Agreements, New Area License Agreements and New Development Agreements, including, among other things, adopting variations to the forms of agreements used in documenting New Franchise Agreements, New Area License Agreements or New Development Agreements and preparing and executing documentation of franchise transfers, terminations, renewals, site relocations and ownership changes, in all cases, subject to and in accordance with the terms of the Transaction Documents;
- (i) on behalf of the Issuer, preparing and filing franchise offering circulars to comply in all material respects with applicable federal, state and foreign laws;
- (j) on behalf of the Issuer, complying with franchise industry specific government regulation and applicable laws;
- (k) performing the obligations of the Securitization Entities under the Serviced Documents including entering into new Serviced Documents from time to time;
- (l) arranging for legal services with respect to the Serviced Assets, including with respect to the enforcement of the Existing Franchise Documents, other current and future agreements with Franchisees;
- (m) providing accounting and financial reporting services;
- (n) establishing and/or providing quality control services and standards with respect to the promulgation and maintenance of standards for food, equipment, suppliers and distributors and monitoring compliance with such standards;

- (o) monitoring industry conditions and adapting accordingly to meeting changing consumer needs;
- (p) developing new products to be offered in connection with the IHOP Brand and supporting the development of programs for increasing awareness of the IHOP Brand;
- (q) developing and disseminating (i) specifications for restaurant operations, (ii) the IHOP operating manual, (iii) new menu items;
- (r) evaluating and approving, on behalf of the Issuer, assignments of Franchise Agreements and other Franchise Documents by Franchisees to third party franchisee candidates;
- (s) operating the IHOP Operated Restaurants;
- (t) performing the Pre-Opening Services;
- (u) performing the Post Opening Services;
- (v) performing the Real Estate Services;
- (w) performing the IP Management Services;
- (x) performing the IP Licensee Services;
- (y) performing the Administrative Services; and
- (z) performing any and all activities that the Servicer deems necessary or convenient in connection with the foregoing.

“Servicing Standard” means standards that are (i) at least equal to the higher (as determined in the Servicer’s reasonable business judgment) of (A) Current Practice or (B) performance standards which the Servicer would adopt if the Serviced Assets were owned by the Servicer and the Servicer was not engaged in any business other than on behalf of the Issuer, and which shall be adjusted to the extent of changed circumstances (including, without limitation, changed practices, technologies, strategies and implementation methods) in the Servicer’s reasonable business judgment, (ii) applied in good faith in a manner which (A) is at least equal to the procedures which the Servicer would apply in accordance with the Current Practices if the Serviced Assets were owned by the Servicer and the Servicer was not engaged in any business other than on behalf of the Issuer, as adjusted to the extent of changed circumstances (including, without limitation, changed practices, technologies, strategies and implementation methods) in the Servicer’s reasonable business judgment and (B) would enable the Servicer to comply in all material respects with all of the duties and obligations of the Securitization Entities under the Transaction Documents and each Franchise Document and (iii) in compliance with all Requirements of Law; provided that, with respect to IP Management Services, the Servicer’s activities shall also be subject to the approval and oversight by the IP Company contemplated under Section 4.3(c) of this Agreement and, with respect to the IP Licensee Services, the

Servicer’s activities shall be subject to the approval, oversight, and other requirements of the IP Company contemplated under the IP License Agreement.

“Subfranchisor” has the meaning set forth in Section 4.7 hereof.

“Subservicing Arrangement” means an arrangement whereby the Servicer engages any other Person (including any Affiliate) to perform certain of its duties under this Agreement, excluding fundamental business operations, marketing and legal functions; provided that any agreement between the Servicer and third party vendors pursuant to which the Servicer purchases a specific product or service or outsources routine administrative functions shall not constitute a Subservicing Arrangement.

“Subsidiary” means with respect to any Person (herein referred to as the “parent”), any corporation, partnership, limited liability company, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, controlled or held by the parent or (b) that is, at the time any determination is being made, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Successor Servicer” means any successor to the Servicer performing the obligations of the Servicer hereunder, as appointed to act as the Servicer pursuant the Back-Up Servicer Proposal and approved by the Aggregate Controlling Party.

“Supplemental Servicing Fee” means an amount not to exceed \$1,000,000 during each 12 month period following the Closing Date, which may be drawn by the Servicer in whole or in part on any Weekly Allocation Date in accordance with Section 10.9 of the Indenture; provided that such amount may be increased for any 12 month period with the consent of the Aggregate Controlling Party.

“Term” shall have the meaning set forth in Section 9.1 hereof.

“Trademark” means all trademarks, service marks, trade names, trade dress, designs, logos or other indications of origin, slogans, and general intangibles of like nature, whether registered or unregistered, together with all registrations and applications therefor and all goodwill of any business connected with the use thereof and symbolized thereby.

“Trademark Assets” means any Trademarks included in the IP Assets.

“Type 3 Franchisee” has the meaning set forth in the Parent Asset Sale Agreement.

“Type 3 IHOP Restaurant” means any Restaurant that has been listed on a schedule to the Parent Asset Sale Agreement as a Type 3 IHOP Restaurant. These consist of restaurants that IHOP Inc. has identified as being potentially affected by certain misstatements, subsequently corrected, regarding registration of trademarks in Uniform Franchise Offering Circulars previously delivered to the affected Franchises.

“UFOC” has the meaning set forth in Section 5.1(a)(ix)(1) hereof.

“Weekly Servicer’s Report” has the meaning set forth in Section 3.1(c) hereof.

“Weekly Servicing Fee” means, with respect to each Weekly Allocation Date, an amount equal to the *quotient* of (a) \$27,000,000 (subject to an increase as of each anniversary of the Closing Date by a percentage equal to the *lesser* of (i) the unadjusted 12-months change in the consumer price index released by the U.S. Department of Labor as of such time (if greater than zero) and (ii) 3%) and (b) 52.

“Welfare Plan” means a “welfare plan,” as such term is defined in Section 3(1) of ERISA (other than a multi employer plan as defined in Section 4001(a)(3) of ERISA).

Section 1.2      Other Defined Terms.

(a)      Each term defined in the singular form in Section 1.1 or elsewhere in this Agreement shall mean the plural thereof when the plural form of such term is used in this Agreement and each term defined in the plural form in Section 1.1 shall mean the singular thereof when the singular form of such term is used herein.

(b)      The words “hereof,” “herein,” “hereunder” and similar terms when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, subsection, schedule and exhibit references herein are references to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified.

(c)      Any reference herein to “knowledge” or “actual knowledge” of any party hereto with respect to an event shall mean the actual knowledge of (i) the Chief Executive Officer, Chief Financial Officer, Treasurer, Controller, Director of Finance or General Counsel of the Servicer, (ii) any manager or director (as applicable) of any Securitization Entity who is also a director or an officer of the Servicer and/or IHOP Corp. or (iii) any Authorized Officer of the Servicer directly responsible for managing the servicing of the relevant Franchise Asset or for administering the transactions relevant to such event.

Section 1.3      Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9.

Section 1.4      Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding.”

## ARTICLE II

### ADMINISTRATION AND SERVICING OF SERVICED ASSETS

Section 2.1      IHOP Inc. to act as Servicer. (a) Engagement of the Servicer. The Servicer is hereby authorized by each applicable Securitization Entity, and hereby agrees, to perform the Services subject to and in accordance with the terms of this Agreement and the other

Transaction Documents, except with respect to IP Services, the Servicing Standard. With respect to the IP Services, the Servicer shall perform such IP Services in accordance with the Servicing Standard except that if the IP Company determines, in its sole discretion, that additional action is necessary or desirable in furtherance of the protection of the IP Assets then the Servicer shall take such additional action. The Servicer shall have full power and authority, acting alone and subject only to the specific requirements and prohibitions of this Agreement and in accordance with the Servicing Standard, the Indenture and the other Transaction Documents, to do and take any and all actions, or to refrain from taking any such actions, and to do any and all things in connection with performing the Services which the Servicer determines are necessary or desirable and, for such purpose, is hereby granted a non-exclusive, royalty free license during the term of this Agreement, to use the IP Assets solely in connection with the performance of the Services under this Agreement. Without limiting the generality of the foregoing, but subject to the provisions of this Agreement, the Indenture and the other Transaction Documents, including, without limitation, Section 2.8, the Servicer, in connection with performing the Services, is hereby authorized and empowered to execute and deliver, in the Servicer's own name (in its capacity as agent for the applicable Securitization Entity ) or in the name of any Securitization Entity (pursuant to the Power of Attorney), on behalf of any Securitization Entity or the Indenture Trustee, as the case may be, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Serviced Assets, including, without limitation, consents to sales, transfers or encumbrances of a franchise by any Franchisee or consents to assignments and assumptions of the Franchise Agreements by any Franchisee in accordance with the terms thereof. For the avoidance of doubt, the parties hereto acknowledge and agree that (i) the Servicer is providing Services directly to each applicable Securitization Entity party hereto and (ii) the Issuer is not providing, and is under no obligation to provide, any Services to any of its Subsidiaries which are parties hereto. Nothing in this Agreement shall preclude the Securitization Entities from performing the Services on their own behalf at any time, and from time to time.

(b) Actions to Perfect Security Interests. Subject to the terms of the Indenture and any applicable Series Supplement, the Servicer shall take those actions that are required under the Transaction Documents and applicable law to maintain continuous perfection and priority (subject to Permitted Liens) of any Securitization Entity's and the Indenture Trustee's respective interests in the Collateral. Without limiting the foregoing, the Servicer shall file or cause to be filed with the appropriate government office the financing statements on Form UCC 1, and assignments of financing statements on Form UCC 3, and other filings requested by the Issuer, Co-Issuer, the Aggregate Controlling Party or the Indenture Trustee, to be filed in connection with each Asset Transfer Agreement, the IP License Agreement, the Foreign/Type 3 IP License Agreement, the IHOP Corp. IP License Agreement, the IP Assets, the Indenture, the other Transaction Documents and the transactions contemplated thereby.

(c) Ownership of IP Assets. The Servicer acknowledges and agrees that all IP Assets (other than any immaterial IP Assets and, to the extent permitted under Section 7.8(a)(xvi) of the Indenture, any IP Assets which have been disposed of) shall be owned by and inure exclusively to the benefit of, the IP Company. The Servicer shall irrevocably assign and transfer, and hereby does irrevocably assign and transfer, to the IP Company any and all of the Servicer's right, title and interest, throughout the world, including in any goodwill connected with the use of and symbolized by any Trademarks, in, to and under any Intellectual Property that the

Servicer may, on behalf of and for the benefit of the IP Company, acquire, develop, or create during the Term of this Agreement, which constitutes After Acquired IP Assets. The IP Company and Servicer expressly agree that, to the fullest extent allowed by law, any copyrightable material contained in the After Acquired IP Assets shall be considered a “work made for hire,” as that term is defined in Section 101 of the United States Copyright Act, as amended, but, if, as a matter of law, such works cannot be considered “works made for hire”, then they are deemed automatically covered by the assignment provisions set forth in this subsection (c).

(d) Further Assurances with Respect to After Acquired IP Assets. To the extent that the assignment and transfer of After Acquired IP Assets contemplated in subsection (c) above are not effective to effectuate the transfer to IP Company of the After Acquired IP Assets, Servicer agrees to take all necessary and appropriate measures, at Servicer’s sole cost, to execute any documents and take any actions to confirm, file, and record in any appropriate Intellectual Property registry, the IP Company’s legal title in and to After Acquired IP Assets and will, at the reasonable request of the IP Company or any Insurer (so long as it is a Series Controlling Party) promptly confirm or execute any of the same.

(e) Grant of Power of Attorney. In order to provide the Servicer with the authority to perform and execute its duties and obligations as set forth herein, the IP Company hereby agrees to execute, upon request of the Servicer, a Power of Attorney in substantially the form set forth as Exhibit B hereto, which Powers of Attorney shall terminate in the event that the Servicer’s rights under this Agreement are terminated as provided herein.

(f) Franchisee Insurance. The Servicer acknowledges that, to the extent that it or any of its Affiliates is named as a “loss payee” or “additional insured” under any Franchisee Insurance Policies, it will use commercially reasonable efforts to cause it to be so named in its capacity as the Servicer on behalf of the Issuer, and the Servicer shall promptly remit to the Indenture Trustee for deposit in the Franchisee Insurance Proceeds Account any Franchisee Insurance Proceeds received by it or by the Issuer or any other Affiliate under the Franchisee Insurance Policies to the extent such Franchisee Insurance Proceeds relate to any Franchise Agreements. The Servicer shall use commercially reasonable efforts to cause the Issuer to be named as “loss payee” under all Franchisee Insurance Policies at the earliest time such Franchisee Insurance Policies are issued, renewed or replaced after the date hereof. With respect to the Franchisee Insurance Agreements which do not provide Affiliate coverage, as set forth in Schedule 2.1(f) hereto, the Servicer shall use commercially reasonable efforts to have the Issuer named as a “loss payee” or “additional insured” within three (3) months from the Closing Date.

(g) Servicer Insurance. The Servicer agrees to maintain adequate insurance consistent with the type and amount maintained by the Servicer under Current Practice, subject, in each case, to any adjustments or modifications made in accordance with the Servicing Standard. Such insurance will cover each of the Securitization Entities, as an additional insured, to the extent that such Securitization Entity has an insurable interest therein. All insurance policies currently maintained by the Servicer are listed on Schedule 2.1(g) hereto.

(h) Collection of Payments; Remittances; Collection Account. The Servicer shall cause the collection of all amounts owing under the terms and provisions of each Serviced

Document in accordance with the Servicing Standard and subject to and in accordance with the Transaction Documents.

(i) Collections. The Servicer shall cause all funds (other than Advertising Fees) due and to become due to any Securitization Entity to be deposited into the Lock-Box Account for further credit to the Collection Account in accordance with Section 10.2(a) of the Indenture.

(j) Deposit of Misdirected Funds; No Commingling; Misdirected Payments. The Servicer shall promptly deposit into the Lock-Box Account by the second Business Day immediately following actual knowledge of the receipt thereof by the Servicer or any of its Affiliates and in the form received or in cash, all payments constituting Collections received by the Servicer or any of its Affiliates in respect of the Serviced Assets incorrectly sent to the Servicer or any of its Affiliates (other than Advertising Fees). The Servicer shall not commingle with its own assets and shall keep separate, segregated and appropriately marked and identified all Serviced Assets and any other property comprising any part of the Collateral, and for such time, if any, as such Serviced Assets or such other property are in the possession or control of the Servicer to the extent such Serviced Assets or such other property is Collateral, the Servicer shall hold the same in trust for the benefit of the Indenture Trustee and the Secured Parties (or, following termination of the Indenture, the applicable Securitization Entity). Additionally, the Servicer shall notify the Indenture Trustee in the Weekly Servicer's Report of any amounts incorrectly deposited into the Collection Account, and arrange for the prompt remittance by the Indenture Trustee of such funds from the Collection Account to the Servicer. The Indenture Trustee shall have no obligation to verify any information provided to it by the Servicer in any Weekly Servicer's Report and shall remit such funds to the Servicer based solely on such Weekly Servicer's Report.

(k) Advertising Funds. All Advertising Fees collected from the Franchisees and Area Licensees (the "Advertising Funds") after the Cut-Off Date shall be deposited directly into a segregated account (the "Advertising Funds Account") maintained by the Issuer and serviced by the Servicer, which shall not be subject to the Lien of the Indenture Trustee pursuant to the Transaction Documents; provided, however, that, Advertising Fees incorrectly deposited into the Lock-Box Account or a Collection Account shall be released therefrom pursuant to paragraph (j) above. Servicer shall cause all Advertising Funds on deposit as of the Cut-Off Date in any of its bank accounts to be remitted to the Advertising Funds Account (including by transferring the title to such account to the Issuer and/or causing such account to become the Advertising Funds Account) on the Closing Date. The Servicer shall not make or permit or cause any other person to make or permit any borrowings to be made or liens to be levied against the Advertising Funds. The Advertising Funds shall be used solely for activities permitted in accordance with the Franchise Agreements and Area License Agreements. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Advertising Funds Account shall be for the sole benefit of the Issuer and the Co-Issuer. All amounts from time to time on deposit in the Advertising Funds Account shall be invested in Eligible Investments.

(l) Pre-Closing Date Net Collections Payment. The Servicer shall remit all Pre-Closing Date Net Collections Payments to the Lock-Box Account (including by transferring

the title to its lock-box account to the Issuer and/or causing such account to become the Lock-Box Account) on the Closing Date.

Section 2.2            Trust Accounts. The Indenture Trustee shall maintain the Collection Accounts, the Franchisee Insurance Proceeds Account and any other accounts in accordance with the Indenture.

Section 2.3            Records.

(a)            The Servicer shall retain all data (including, without limitation, computerized records) relating directly to, or maintained in connection with, the servicing of the Serviced Assets at its address indicated in Section 9.5 (or at an off site storage facility reasonably acceptable to the Issuer, each Insurer and the Back-Up Servicer) or, upon thirty (30) days' notice to the Issuer, the IP Company, the Rating Agencies, each Insurer, the Back-Up Servicer and the Indenture Trustee, at such other place where the servicing office of the Servicer is located, and shall give the Indenture Trustee, each Insurer and the Back-Up Servicer access to all such data in accordance with the terms and conditions of the Transaction Documents; provided, however, that the Indenture Trustee shall not be obligated to verify, recalculate or review any such data. As between the parties, the Issuer shall own the Intellectual Property rights in the data.

(b)            If the rights of the Servicer shall have been terminated in accordance with Section 9.5 or if this Agreement shall have been terminated pursuant to Section 9.1, the Servicer shall, upon demand of the Indenture Trustee (based upon the written direction of the Aggregate Controlling Party), in the case of a termination pursuant to Section 6.1, or upon the demand of the Issuer, in the case of a termination pursuant to Section 9.1, deliver to the Back-Up Servicer or the Successor Servicer all data in its possession or under its control (including, without limitation, computerized records) necessary or desirable for the servicing of the Serviced Assets; provided, however, that the Servicer may retain a single set of copies of any books and records that the Servicer reasonably believes will be required by it for the purpose of performing any of the Servicer's accounting, public reporting or other administrative functions that are performed in the ordinary course of the Servicer's business; and provided, further, that the Servicer shall have access, during normal business hours and upon reasonable notice, to all books and records that the Servicer reasonably believes would be necessary or desirable for the Servicer in connection with the preparation of any tax or other governmental reports and filings and other uses; and provided, further, that if the Issuer or the Indenture Trustee shall desire to dispose of any of such books and records at any time within five years of the Servicer's termination, the Issuer shall, prior to such disposition, give the Servicer a reasonable opportunity, at the Servicer's expense, to segregate and remove such books and records as the Servicer may select. The provisions of this Section 2.3 shall be deemed to require the Servicer to transfer any proprietary material or customized computer programs that are necessary or desirable for uninterrupted use of the data in the same manner as the Servicer has used it during the Term of this Agreement.



Section 2.4      Administrative Duties of Servicer.

(a)      Duties with Respect to the Transaction Documents. The Servicer shall perform the duties of the applicable Securitization Entities under the Transaction Documents. The Servicer shall prepare for execution by the Securitization Entities or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Securitization Entities to prepare, file or deliver pursuant to the Transaction Documents.

(b)      Duties with Respect to the Securitization Entities. In addition to the duties of the Servicer set forth in this Agreement or any of the Transaction Documents, the Servicer, in accordance with the Servicing Standard, shall perform such calculations and shall prepare for execution by the Securitization Entities or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Securitization Entities to prepare, file or deliver pursuant to applicable law, including, for the avoidance of doubt, securities laws and franchise laws. Pursuant to the directions of the Securitization Entities and in accordance with the Servicing Standard, the Servicer shall administer, perform or supervise the performance of such other activities in connection with the Securitization Entities as are not covered by any of the foregoing provisions and as are expressly requested by any Securitization Entity and are reasonably within the capability of the Servicer, subject to the Servicing Standard.

(c)      Records. The Servicer shall maintain appropriate books of account and records relating to the services performed under this Agreement, which books of account and records shall be accessible for inspection by the Indenture Trustee, the Issuer and each Insurer during normal business hours and upon reasonable notice.

Section 2.5      No Offset. The obligations of the Servicer under this Agreement shall not be subject to, and the Servicer hereby waives, in connection with the performance of such obligations, any defense, counterclaim or right of offset which the Servicer has or may have against the Issuer, the Indenture Trustee, each Insurer or any of the other Securitization Entities, whether in respect of this Agreement, the other Transaction Documents, any Related Document, any document governing any Serviced Asset or otherwise.

Section 2.6      Compensation. As compensation for the performance of its obligations under this Agreement, the Servicer shall be entitled to receive the Weekly Servicing Fee and, if necessary, the Supplemental Servicing Fee, on the Weekly Allocation Date, subject to and in accordance with Article 10 of the Indenture.

Section 2.7      Indemnification. (a) The Servicer agrees to indemnify and hold the Issuer, the Co-Issuer, the other Securitization Entities, each Insurer and the Indenture Trustee and their respective officers, directors, employees and agents (each, an “Indemnitee”) harmless against all claims, losses, penalties, fines, forfeitures, legal fees, liabilities, obligations, damages, actions, suits and related costs and judgments and other costs, fees and reasonable expenses that any of them may incur as a result of (i) the failure of the Servicer to perform or observe its obligations under this Agreement, (ii) the breach by the Servicer of any representation, warranty or covenant under this Agreement or (iii) the Servicer’s negligence, bad faith or willful

misconduct; provided, however, that there shall be no indemnification under this Section 2.7(a) for a breach of any representation, warranty or covenant relating to any New Asset provided in ARTICLE V hereof so long as the Servicer has complied with Section 2.7 (b) and Section 2.7(c) hereunder.

(b) In the event of a breach of any representation, warranty or covenant relating to any New Asset provided in ARTICLE V hereof, the Servicer shall promptly notify the Indenture Trustee and each Insurer and shall pay to the Issuer liquidated damages in an amount equal to the Defective Asset Damages Amount, which payment shall be deposited directly to the Lock-Box Account. Upon payment by the Servicer of the Defective Asset Damages Amount to the Issuer with respect to any Defective New Asset in accordance with the preceding sentence and all amounts, if any, owing at such time under Section 2.7(c) below, the Issuer, the Co-Issuer or the applicable Securitization Entity shall, to the extent permitted by applicable law, assign such Defective New Asset to the Servicer (together with a master franchise or license agreement permitting the Servicer and its Affiliates the right to sub franchise such Defective New Asset, as applicable) and the Servicer shall accept assignment of such Defective New Asset from the relevant Securitization Entity. Such Securitization Entity shall, in such event, make all assignments of such Defective New Asset necessary to effect such assignment, as applicable. Any such assignment by the Issuer shall be without recourse to, or representation or warranty by, Issuer. All costs and expenses associated with the foregoing shall be paid by the Servicer on demand to or at the direction of the Issuer.

(c) In addition to the rights provided in Section 2.7(b) above, the Servicer agrees to indemnify and hold each Indemnitee harmless if any action or proceeding (including any governmental investigation and/or the assessment of any fines or similar items) shall be brought or asserted against such Indemnitee in respect of a material breach of any representation, warranty or covenant relating to any New Asset provided in ARTICLE V hereof to the extent provided in Section 2.7.

(d) Any Indemnitee that proposes to assert the right to be indemnified under Section 2.7 will promptly, after receipt of notice of the commencement of any action, suit or proceeding against such party in respect of which a claim is to be made against the Servicer under such sections, notify the Servicer of the commencement of such action, suit or proceeding, enclosing a copy of all papers served. In the event that any action, suit or proceeding shall be brought against any Indemnitee (other than the Indenture Trustee and its officers, directors, employees and agents), such Indemnitee shall notify the Servicer of the commencement thereof and the Servicer shall be entitled to participate in, and to the extent that it shall wish, to assume the defense thereof, with its counsel reasonably satisfactory to such Indemnitee (which, in the case of a Securitization Entity, shall be reasonably satisfactory to the Aggregate Controlling Party, as well), and after notice from the Servicer to such Indemnitee of its election to assume the defense thereof, the Servicer shall not be liable to such Indemnitee for any legal expenses subsequently incurred by such Indemnitee in connection with the defense thereof; provided that the Servicer shall not enter into any settlement with respect to any claim or proceeding unless such settlement includes an unconditional release of such Indemnitee from all liability on claims that are the subject matter of such settlement and fully discharges with prejudice against the plaintiff the claim or action against such Indemnitee and does not include a statement as to, or an admission of, fault, culpability or failure to act by or on behalf of such Indemnitee; and provided,

further, that the Indemnatee shall have the right to employ its own counsel in any such action the defense of which is assumed by the Servicer in accordance with this Section 2.7(d), but the fees and expenses of such counsel shall be at the expense of such Indemnatee unless (i) the employment of counsel by such Indemnatee has been specifically authorized by the Servicer, or (ii) the Servicer shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnatee in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnatee and the Servicer, and the Indemnatee shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Servicer (in which case, the Indemnatee notifies the Servicer in writing that it elects to employ separate counsel at the expense of the Servicer, the reasonable fees and expenses of such Indemnatee's counsel will be borne by the Servicer and the Servicer shall not have the right to assume the defense of such action or proceeding on behalf of such Indemnatee, it being understood, however, that the Servicer shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys at any time for the Indemnitees, which firm shall be designated in writing by such Indemnatee). In the event that any action, suit or proceeding shall be brought against any Indenture Trustee or any of its officers, directors, employees or agents (each, a "Indenture Trustee Indemnatee"), it shall notify the Servicer of the commencement thereof and the Indenture Trustee Indemnatee shall have the right to employ its own counsel in any such action at the expense of the Servicer. No Indemnatee shall settle or compromise any claim covered pursuant to this Section 2.7 without the prior written consent of the Servicer, which shall not be unreasonably withheld or delayed. The provisions of this Section 2.7 shall survive the termination of this Agreement or the earlier resignation or removal of any party hereto; provided, however, that no Successor Servicer shall be liable under this Section 2.7 with respect to any Defective New Asset or any other matter occurring prior to its succession hereunder.

Section 2.8      Nonpetition Covenant. The Servicer shall not, prior to the date that is one year and one day after the payment in full of the Outstanding Principal Amount of the Notes of each Series and all other Secured Obligations, petition or otherwise invoke the process of any court or governmental authority for the purpose of commencing or sustaining a case against any Securitization Entity under any insolvency law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of any Securitization Entity or any substantial part of its property, or ordering the winding up or liquidation of the affairs of any Securitization Entity.

Section 2.9      Issuer Consent. Subject to the Servicing Standard and the terms of the Indenture, the Servicer shall have the authority, on behalf of the Issuer, to grant or withhold consents of the "franchisor" required under the Franchise Agreements; provided that the Servicer may only consent to the assignment, renewal, modification or termination of a Franchise Agreement or the release of any Franchisee from its obligations under a Franchise Agreement if such consent or release is consistent with the Servicing Standard and the relevant Transaction Documents.

Section 2.10      Appointment of Subservicers. The Servicer may enter into Subservicing Arrangements; provided that, other than with respect to any existing Subservicing Arrangement set forth in Schedule 2.10, no Subservicing Arrangement shall be effective unless and until (i) such subservicer executes and delivers an agreement to perform and observe, or in the case of an assignment, an assumption by such successor entity of the due and punctual performance and observance of, the applicable covenants and conditions to be performed or observed by the Servicer under this Agreement; provided that such Subservicing Arrangement (including any Subservicing Arrangements between the Servicer and an Affiliate of the Servicer) shall be terminable by the Aggregate Controlling Party upon a Servicer Termination Event and shall contain transitional servicing provisions substantially similar to those provided in Section 6.2 herein; and (ii) a written notice has been provided to the Aggregate Controlling Party. Any such Subservicing Arrangement entered into after the date hereof shall be reported to the Back-Up Servicer quarterly in accordance with the Back-Up Servicer Agreement. Notwithstanding anything to the contrary herein or in any Subservicing Arrangement, the Servicer shall remain primarily and directly liable for its obligations hereunder and in connection with any Subservicing Arrangement.

### ARTICLE III

#### STATEMENTS AND REPORTS

Section 3.1      Reporting by the Servicer.

(a)      Reports Required Pursuant to the Indenture. The Servicer, on behalf of the Issuer, will furnish, or cause to be furnished, to the Indenture Trustee and each Series Controlling Party, all reports required to be delivered by any Securitization Entity pursuant to the Indenture or any other Transaction Document.

(b)      Monthly Noteholders' Statement. The Servicer, on behalf of the Issuer, will furnish, or cause to be furnished, to the Indenture Trustee and each Insurer two (2) Business Days prior to each Payment Date, with respect to each series of Notes, (i) a monthly statement (the "Monthly Noteholders' Statement") substantially in the form of Exhibit C hereto setting forth the information described therein relating to the distributions to be made to the Noteholders of that series on such Payment Date, the allocations of Collections received and payments made during the calendar month preceding the Payment Date and certain measures of the performance of the Collateral, and (ii) such other information as the Indenture Trustee or each Insurer may reasonably request. A copy of the Monthly Noteholders' Statement and any information provided under this Section 3.1(b) shall simultaneously be provided to the Rating Agencies. Each Monthly Noteholders' Statement shall include a certification by the Servicer that (A) to its knowledge, any historical information contained therein is true and correct in all material respects, (B) any forward looking information contained therein has been prepared in good faith based on information in the Servicer's possession and/or reasonably available to the Servicer as of the date thereof and (C) the Servicer has performed in all material respects its obligations under each Transaction Document since the date of the previously delivered Monthly Noteholders' Statement (or, if there has been a material default in the performance of any such obligation, specifying each such default and the nature and status thereof).

(c) Monthly Servicer's Certificate. The Servicer shall furnish, or cause to be furnished, to the Issuer, the Co-Issuer, the applicable Securitization Entity, the Indenture Trustee, each Insurer and the Paying Agent three (3) Business Days prior to each Payment Date, a certificate substantially in the form of Exhibit D (each, a "Monthly Servicer's Certificate") with a monthly servicer report substantially in the form of Exhibit D hereto, including a certification to the effect that, except as otherwise provided in any other notice hereunder, no Servicer Termination Event, Event of Default or Default has occurred or is continuing (each, a "Monthly Servicer's Report"). A copy of the Monthly Servicer's Certificate provided under this Section 3.1(c) shall simultaneously be provided to the Rating Agencies.

(d) Weekly Servicer's Report. The Servicer shall furnish, or cause to be furnished, to the Issuer, the Co-Issuer, the applicable Securitization Entity, the Indenture Trustee and each Insurer on the day prior to each Weekly Allocation Date, by no later than 12:00p.m. (noon) EST, a weekly servicer report (the "Weekly Servicer's Report") substantially in the form of Exhibit E hereto setting forth the information described therein with respect to each Serviced Asset of the Issuer, the IP Company or the other Securitization Entities, as applicable, for the one week commencing on the Sunday and ending on the Saturday immediately preceding such date. Such Weekly Servicer's Report shall also include all information that the Indenture Trustee requires to make such payments and allocations in Section 10.9 of the Base Indenture, including (but not limited to) the Series Debt Service Coverage Ratio and whether a Series DSCR Mandatory Redemption Event has occurred.

(e) Delivery of Financial Statements. The Servicer shall provide to the Indenture Trustee and each Insurer (so long as it is a Series Controlling Party) within 90 days after the end of each fiscal year of the Issuer, a copy of the audited consolidated balance sheet of the Issuer and its consolidated subsidiaries as at the end of such year and the related audited consolidated statements of income and retained earnings and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on by the Independent Accountants of the Issuer.

(f) Termination Notices. The Servicer shall send the Indenture Trustee and each Insurer (so long as it is a Series Controlling Party) a copy of any notices of termination sent by the Servicer to any Franchisee.

(g) Additional Information; Access to Books and Records. The Servicer will furnish from time to time such additional information regarding the Collateral or compliance with the covenants and other agreements of IHOP Inc., IHOP Corp. and any Securitization Entity and/or any Affiliate or Subsidiary under the Transaction Documents as the Indenture Trustee, the Rating Agencies or any Series Controlling Party may reasonably request, subject at all times to compliance with the Exchange Act, the Securities Act and any other applicable law by IHOP Corp., IHOP Inc., and any Affiliate or Subsidiary thereof, the Servicer, IHOP Holdings and any Securitization Entity. Once during each successive annual period commencing on the Closing Date, the Servicer, IHOP Inc., IHOP Corp. and each Securitization Entity and/or any Affiliate or Subsidiary shall allow the Indenture Trustee, each Series Controlling Party (that is not an Aggregate Controlling Party) and any Person appointed by any of them (in each case, at the expense of the Servicer; provided, however, that in the case of a Series Controlling Party or its appointee, such expense shall not exceed a reasonable amount to be agreed upon between the

Servicer and the relevant Series Controlling Party prior thereto), access to its books of account (as well as those pertaining to the Securitization Entities) and records upon reasonable notice, and permit the Indenture Trustee, each Series Controlling Party (that is not an Aggregate Controlling Party) and any Person appointed by any of them to discuss its affairs, finances and accounts with any of its officers, directors and other representatives, to discuss its affairs, finances and accounts with its independent public accountants and to inspect the Serviced Assets and all records related thereto (and to make extracts and copies thereof); provided, further, that each Series Controlling Party shall be allowed additional access upon reasonable notice at the expense of such Series Controlling Party, or at the expense of the Servicer upon the occurrence of a Default, Event of Default or Servicer Termination Event.

Section 3.2      Appointment of Independent Accountant. On or before the Closing Date, the Issuer shall appoint a firm of independent public accountants of recognized national reputation that is reasonably acceptable to the Aggregate Controlling Party to serve as the independent accountants (“Independent Accountants”) for purposes of preparing and delivering the reports required by Section 3.3. It is hereby acknowledged that the accounting firm of Ernst & Young LLP is acceptable for purposes of serving as Independent Accountants. The Issuer may not remove the Independent Accountants without first giving 90 days’ prior written notice to the Independent Accountants, with a copy of such notice also given concurrently to the Indenture Trustee, the Rating Agencies, each Insurer that is a Series Controlling Party and the Servicer. Upon any resignation by such firm or removal of such firm, the Issuer shall promptly appoint a successor thereto that shall also be a firm of independent public accountants of recognized national reputation to serve as the Independent Accountants hereunder. If the Issuer shall fail to appoint a successor firm of Independent Accountants which has resigned or been removed within 60 days after the effective date of such resignation or removal, the Aggregate Controlling Party shall promptly appoint a successor firm of independent public accountants of recognized national reputation that is reasonably satisfactory to the Servicer to serve as the Independent Accountants hereunder. The fees of any Independent Accountants shall be payable by the Issuer.

Section 3.3      Annual Accountants’ Reports. On or before 180 days after the end of the fiscal year ending on or about December 31, 2006, and on or before 120 days after the end of each subsequent fiscal year of the Servicer, the Servicer shall deliver to the Issuer, the Indenture Trustee, each Insurer that is a Series Controlling Party and the Rating Agencies a separate report (the “Accountants’ Report”), concerning the fiscal year just ended (or such other first period since the date of this Agreement), prepared by the Independent Accountants, to the effect that: (A) such firm has examined the management assertion, prepared substantially in the form of Exhibit A hereto, delivered by the Servicer; (B) such examination was made in accordance with the generally accepted auditing standards established by the American Institute of Certified Public Accountants and accordingly included examining, on a test basis, evidence about management’s compliance, as Servicer, with the minimum servicing criteria as set forth in the Securities and Exchange Commission’s Regulation AB (the “Criteria”), to the extent such Criteria are applicable to the servicing obligations set forth in the Agreement; (C) management of the Servicer has asserted to such firm that the Servicer has complied with the minimum servicing standards identified in the Criteria, as of the end of and for the preceding fiscal year, to the extent that such standards are applicable to the servicing obligations set forth in this Agreement; and, (D) except as described in the report, management’s assertion is fairly stated in

all material respects. The report will also indicate that the firm is independent of the Servicer within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants. In the event such independent public accountants require the Indenture Trustee to agree to the procedures to be performed by such firm in any of the reports required to be prepared pursuant to this Section 3.3, the Servicer shall direct the Indenture Trustee in writing to so agree; it being understood and agreed that the Indenture Trustee will deliver such letter of agreement in conclusive reliance upon the direction of the Servicer, and the Indenture Trustee has not made any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

Section 3.4            Available Information. The Servicer, on behalf of the Issuer, shall make available the information requested by prospective purchasers necessary to satisfy the requirements of Rule 144A under the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended. The Servicer shall deliver such information, and shall promptly deliver copies of all Monthly Noteholders’ Statement and Accountants’ Reports, to the Indenture Trustee as contemplated by Section 12.1 of the Indenture, to enable the Indenture Trustee to redeliver such information to purchasers or prospective purchasers of the Notes.

**ARTICLE IV**  
**THE SERVICER**

Section 4.1            Representations and Warranties Concerning the Servicer. The Servicer represents and warrants to the Issuer, each Insurer and each other Securitization Entities party hereto and the Indenture Trustee, as of the Closing Date and each Issuance Date (except if otherwise expressly noted), as follows:

- (a)            Organization and Good Standing. The Servicer (i) is a corporation, duly formed and organized, validly existing and in good standing under the laws of the State of Delaware, (ii) is duly qualified to do business as a foreign corporation and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations under the Transaction Documents make such qualification necessary and (iii) has the power and authority to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted and to perform its obligations under this Agreement.
  
- (b)            Power and Authority; No Conflicts. The execution and delivery by the Servicer of this Agreement and its performance of, and compliance with, the terms hereof are within the power of the Servicer and have been duly authorized by all necessary corporate action on the part of the Servicer. Neither the execution and delivery of this Agreement, nor the consummation of the transactions herein contemplated to be consummated by the Servicer, nor compliance with the provisions hereof, will conflict with or result in a breach of, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, any of the provisions of any law, governmental rule, regulation, judgment, decree or order binding on the Servicer or its properties, or the charter or bylaws or other organizational documents and agreements of the Servicer, or any of the provisions of any indenture, mortgage, lease, contract or other instrument to which the Servicer is a party or by which it or its property is

bound or result in the creation or imposition of any lien, charge or encumbrance upon any of its property pursuant to the terms of any such indenture, mortgage, leases, contract or other instrument.

(c) Consents. Except for registrations as a franchise broker or franchise sales agent as may be required under state franchise statutes and regulations, the Servicer is not required to obtain the consent of any other party or the consent, license, approval or authorization of, or registration or declaration with, any Governmental Authority in connection with the execution, delivery or performance by the Servicer of this Agreement, or the validity or enforceability of this Agreement against the Servicer, except to the extent that a state or foreign franchise law requires filing and other compliance actions by virtue of considering the Servicer as a “subfranchisor”.

(d) Due Execution and Delivery. This Agreement has been duly executed and delivered by the Servicer and constitutes a legal, valid and binding instrument enforceable against the Servicer in accordance with its terms (subject to applicable insolvency laws and to general principles of equity).

(e) No Litigation. There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Servicer, threatened against or affecting the Servicer, before or by any Governmental Authority having jurisdiction over the Servicer or any of its properties or with respect to any of the transactions contemplated by this Agreement (i) asserting the illegality, invalidity or unenforceability, or seeking any determination or ruling that would affect the legality, binding effect, validity or enforceability of this Agreement, or (ii) which could reasonably be expected to have a Material Adverse Effect. The Servicer is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(f) Due Qualification. Except for registrations as a franchise broker or franchise sales agent as required under state or foreign franchise statutes and regulations, the filings as to which shall have been made on or prior to the date hereof, and except to the extent that a state or foreign franchise law requires filing and other compliance actions by virtue of considering the Servicer as a “subfranchisor”, the Servicer has obtained or made all material licenses, registrations, consents, approvals, waivers and notifications of creditors, lessors and other Persons, in each case, in connection with the execution and delivery of this Agreement by the Servicer, and the consummation by the Servicer of all the transactions herein contemplated to be consummated by the Servicer and the performance of its obligations hereunder.

(g) No Default. The Servicer is not in default under any agreement, contract, instrument or indenture to which the Servicer is a party or by which it or its properties is or are bound, or with respect to any order of any Governmental Authority; and no event has occurred which with notice or lapse of time or both would constitute such a material default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any Governmental Authority.

(h) Taxes. The Servicer has filed or caused to be filed and shall file or cause to be filed all federal tax returns and all state and other tax returns that are required to be filed.



The Servicer has paid or caused to be paid, and shall pay or cause to be paid, all taxes owed by the Servicer and all assessments made against it or any of its property (other than any amount of tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Servicer). The charges, accruals and reserves on the Servicer's books in respect of taxes are and shall be adequate.

(i) Accuracy of Information. As of the date thereof, the information contained in the applicable Offering Circular relating to the issuance or a Series of Notes (if any) does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Servicer hereby covenants that all information (as amended, supplemented and superseded) to be provided to the Back-Up Servicer pursuant to this Agreement shall be true and accurate in all material respects as of the date delivered to the Back-Up Servicer; provided, however, that, no amendment, supplement or superseding document shall be effective to cure previously nonconforming information if the Back-Up Servicer or any Insurer has relied upon such information to its detriment..

(j) Financial Statements. As of the Closing Date, the audited combined balance sheets of IHOP Corp. and Affiliates as of December 31, 2006, December 31, 2005 and December 31, 2004 and the related combined statements of income and shareholders' equity included in the Offering Circular, reported on and accompanied by an unqualified report from Independent Accountant, present fairly the financial condition of the Servicer and Affiliates as at such date, and the results of operations and shareholders' equity for the respective periods then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP (except as otherwise stated therein) applied consistently through the periods involved.

(k) No Material Adverse Change. Since September 30, 2006, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

(l) ERISA. Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the six year period prior to the date on which this representation is made or deemed made or is reasonably expected to occur with respect to any Single Employer Plan, and each Plan (including, to the actual knowledge of the Servicer, a Multiemployer Plan or a multiemployer welfare plan maintained pursuant to a collective bargaining agreement) has complied in all respects with the applicable provisions of ERISA, the Code and the constituent documents of such Plan, except for instances of non-compliance that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect except as could reasonably be expected to have a Material Adverse Effect. No termination of a Single Employer Plan has occurred during such six-year period or is reasonably expected to occur (other than a termination described in Section 4041(b) of ERISA), and no Lien in favor of the PBGC or a Plan has arisen during such six-year period or is reasonably expected to arise. Except to the extent that any such excess could not reasonably be expected to have a Material Adverse Effect, the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund

such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits. Except to the extent that such liability could not reasonably be expected to have a Material Adverse Effect, neither the Servicer nor any Affiliate thereof has had a complete or partial withdrawal from any Multiemployer Plan, and the Servicer would not become subject to any liability under ERISA if the Servicer or any Affiliate thereof were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. To the actual knowledge of the Servicer, no such Multiemployer Plan is in Reorganization, insolvent or terminating or is reasonably expected to be in Reorganization, become insolvent or be terminated. Except to the extent that any such excess could not reasonably be expected to have a Material Adverse Effect, the present value (determined using actuarial and other assumptions which are reasonable in respect of the benefits provided and the employees participating) of the liability of the Servicer and each Affiliate thereof for post retirement benefits to be provided to their current and former employees under Plans which are welfare benefit plans (as defined in Section 3(1) of ERISA) other than such liability disclosed in the financial statements of the Servicer does not, in the aggregate, exceed the assets under all such Plans allocable to such benefits. Neither the Servicer nor any Affiliate thereof has engaged in a prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code in connection with any Plan that would subject the Servicer to liability under ERISA and/or Section 4975 of the Code that could reasonably be expected to have a Material Adverse Effect. There is no other circumstance which may give rise to a liability in relation to any Plan that could reasonably be expected to have a Material Adverse Effect.

(m) Environmental Matters. Other than exceptions to any of the following that could not, individually or in the aggregate, reasonably be expected to result in the payment of a Material Environmental Amount, the Servicer hereby represents and warrants as follows:

(i) The Servicer: (A) is, and within the period of all applicable statutes of limitation has been, in compliance with all applicable Environmental Laws, (B) holds all Environmental Permits (each of which is in full force and effect) required for any of its current or intended operations or for any property owned, leased or otherwise operated by it and (C) is, and within the period of all applicable statutes of limitation has been, in compliance with all of its Environmental Permits.

(ii) Materials of Environmental Concern are not present at, on, under, in, or about any real property now or formerly leased, owned, or operated by the Servicer, or at any other location (including, without limitation, any location to which Materials of Environmental Concern have been sent for re-use or recycling or for treatment, storage, or disposal) which could be expected to (A) give rise to liability of the Servicer under any applicable Environmental Law or otherwise result in costs to the Servicer, (B) interfere with the Servicer's continued operations or (C) impair the fair saleable value of any real property owned or leased by the Servicer.

(iii) There is no judicial, administrative or arbitral proceeding or action (including, without limitation, any notice of violation or alleged violation) under or relating to any Environmental Law to which the Servicer is, or, to the knowledge of the

Servicer, will be, named as a party that is pending or, to the knowledge of the Servicer, threatened.

(iv) The Servicer has not received any written request for information, or has been notified that it is a potentially responsible party under or relating to the federal Comprehensive Environmental Response, Compensation and Liability Act or any other Environmental Law, or with respect to any Materials of Environmental Concern.

(v) The Servicer has not entered into or agreed to any consent decree, order or settlement or other agreement, or is subject to any judgment, decree or order or other agreement, in any judicial, administrative, arbitral or other forum for dispute resolution, relating to compliance with or liability under any Environmental Law.

(vi) The Servicer has not assumed or retained, by contract, conduct or operation of law, any liability or obligation of any kind, fixed or contingent, known or unknown, under any Environmental Law or with respect to any Materials of Environmental Concern.

(n) No Servicer Termination Event. No Servicer Termination Event has occurred or is continuing, and, to the knowledge of the Servicer, there is no event which, with notice or lapse of time, or both, would constitute a Servicer Termination Event.

(o) Location of Records. The offices at which the Servicer keeps its records concerning the Serviced Assets are located at the addresses set forth herein.

(p) DISCLAIMER. EXCEPT FOR SERVICER'S REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS Section 4.1 OF THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, NO PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY NATURE TO ANY OTHER PARTY WITH RESPECT TO THE SERVICES, THE IP ASSETS, OR OTHER SUBJECT MATTER OF THIS AGREEMENT, INCLUDING ANY WARRANTIES OF NON INFRINGEMENT WITH RESPECT TO THE IP ASSETS, OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND EACH PARTY HEREBY EXPRESSLY DISCLAIMS ANY SUCH WARRANTIES.

Section 4.2 Existence; Status as Servicer. The Servicer shall keep in full effect its existence under the laws of the state of its incorporation, and maintain its rights and privileges necessary or desirable in the normal conduct of its business and the performance of its obligations hereunder, and will obtain and preserve its qualification to do business in each jurisdiction in which the failure to so qualify either individually or in the aggregate would be reasonably likely to have a Material Adverse Effect.

Section 4.3 Performance of Obligations.

(a) Punctual Performance. The Servicer shall punctually perform and observe all of its obligations and agreements contained in this Agreement in accordance with the terms hereof and as contemplated by the Servicing Standard.

(b) Limitations of Responsibility of the Servicer. The Servicer will have no responsibility under this Agreement other than to render the services called for hereunder in good faith and consistent with the Servicing Standard.

(c) Special Provisions as to IP Assets. Servicer acknowledges and agrees that the IP Company has the right and duty to control the quality of the goods and services offered under the Trademark Assets and the manner in which the Trademark Assets are used in order to maintain the validity, enforceability and its ownership of the Trademark Assets. Servicer shall consult with, and obtain the prior approval of the IP Company with respect to the (i) promulgation of standards with respect to the operation of Restaurants, including quality of food, cleanliness, appearance, and level of service (or the making of material changes to the existing standards), (ii) the promulgation of standards with respect to new businesses, products and services which the IP Company approves for inclusion in the license granted under the IP License Agreement (or other license agreement or sublicense agreement for which the Servicer is performing IP Management Services), (iii) the nature of the Quality Control Programs and other means of monitoring and controlling adherence to the standards, (iv) the terms of any Franchise Agreements or other Sublicense agreements that relate to the quality standards which licensees must follow with respect to businesses, goods and services offered under the Trademark Assets and the usage of the Trademark Assets, (v) the commencement of enforcement actions with respect to the Trademark Assets and the terms of any settlements thereof that implicate the use or the IP Company's ownership thereof, (vi) the adoption of any variations on the IHOP Brand which are not in use on the date hereof, or other new marks to be included in the Trademark Assets, and the abandonment of any IP Assets; and (vi) any uses of the Trademark Assets that are not part of Current Practices. The IP Company shall have the right to monitor the Servicer's compliance with the foregoing and its performance of the IP Management Services and, in furtherance thereof, Servicer shall provide IP Company, at IP Company's request from time to time, with copies of Franchise Arrangements and other Sublicenses, samples of materials bearing the Trademark Assets used by licensees and sublicensees, and the results of Quality Control Programs. Nothing herein shall limit the IP Company's rights, and the Securitization Entities' obligations, under the IP License Agreement, the Foreign/Type 3 IP License Agreement or any other license agreement which is subject to the IP Management Services.

(d) Right to Receive Instructions. Without limiting the Servicer's obligations under Section 4.3(c) above, in the event that the Servicer is unable to decide between alternative courses of action, or is unsure as to the application of any provision of this Agreement or any Related Document, or any such provision is, in the good faith judgment of the Servicer, ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or in the event that this Agreement or any Related Document permits any determination by the Servicer or is silent or is incomplete as to the course of action which the Servicer is required to take with respect to a particular set of facts, the Servicer may give notice (in such form as shall be appropriate under the circumstances) to each Series Controlling Party and the Indenture Trustee requesting written instructions in accordance with the Indenture and the other Transaction Documents and, to the extent that the Servicer shall have acted or refrained from acting in good faith in accordance with any such instructions received from the Aggregate Controlling Party, the Servicer shall not be liable on account of such action or inaction to any Person. Subject to the Servicing Standard, if the Servicer shall not have received appropriate instructions from the Aggregate Controlling Party within fifteen (15) days of such notice, the

Servicer (i) shall promptly notify each Series Controlling Party of the absence of any such instructions and (ii) until such later time, if any, as the Servicer receives appropriate instructions from the Aggregate Controlling Party, may, but shall be under no duty to, take or refrain from taking such action, not inconsistent with this Agreement or the Transaction Documents, as the Servicer shall reasonably deem to be in the best interests of the Aggregate Controlling Party; provided, however, that if an Insurer is not the Series Controlling Party for a Series of Notes, the Servicer shall also prepare and provide to the Indenture Trustee all notices, forms and consent solicitations to be delivered to the related Noteholders in connection with such notice and request for instructions; and provided, further, that if no Insurer is a Series Controlling Party for a Series of Notes and if the Servicer shall not have received appropriate instructions from the Aggregate Controlling Party within twenty (20) days of such notice, the Servicer may, but shall be under no duty to, take or refrain from taking such action, not inconsistent with this Agreement or the Transaction Documents, as the Servicer shall deem to be in the best interests of the Aggregate Controlling Party and the Securitization Entities. The Servicer shall have no liability to any Person for such action or inaction taken in reliance on the preceding sentence except for the Servicer's own willful misconduct or negligence.

(e) No Duties Except as Specified in this Agreement or in Instructions. The Servicer shall not have any duty or obligation to manage, make any payment in respect of, register, record, sell, reinvest, dispose of, create, perfect or maintain title to, or any security interest in, or otherwise deal with the Collateral, to prepare or file any report or other document or to otherwise take or refrain from taking any action under, or in connection with, any document contemplated hereby to which the Servicer is a party, except as expressly provided by the terms of this Agreement or the other Transaction Documents and consistent with the Servicing Standard, and no implied duties or obligations shall be read into this Agreement against the Servicer. The Servicer nevertheless agrees that it will, at its own cost and expense, promptly take all action as may be necessary to discharge any Liens on any part of the Serviced Assets which result from valid claims against the Servicer personally whether or not related to the ownership or administration of the Serviced Assets or the transactions by the Transaction Documents.

(f) No Action Except Under Specified Documents or Instructions. The Servicer shall not manage, control, use, sell, reinvest, dispose of or otherwise deal with any part of the Collateral except in accordance with the powers granted to, and the authority conferred upon, the Servicer pursuant to this Agreement.

(g) Limitations on the Servicer's Liability. Except for any loss, liability, expense, damage, action, suit or injury arising out of, or resulting from, (i) any breach or default by the Servicer in the observance or performance of any of its agreements contained in this Agreement, (ii) the breach by the Servicer of any representation or warranty made by it herein or (iii) acts or omissions constituting the Servicer's own willful misconduct, bad faith or negligence in the performance of its duties hereunder or otherwise, neither the Servicer nor any of its Affiliates (other than any other Securitization Entity), managers, officers, members or employees shall be liable to any Securitization Entity, each Insurer, the Noteholders or any other Person under any circumstances, including, without limitation:

(1) for any action taken or omitted to be taken by the Servicer in good faith in accordance with the instructions of the Aggregate Controlling Party or Series Controlling Party (as applicable) made in accordance herewith;

(2) for any representation, warranty, covenant, agreement or indebtedness of any Securitization Entity under the Notes or any Related Document, or for any other liability or obligation of any Securitization Entity;

(3) for or in respect of the validity (other than as to the obligations of the Servicer) or sufficiency of this Agreement or for the due execution hereof by any party hereto other than the Servicer, or for the form, character, genuineness, sufficiency, value or validity of any part of the Collateral, or for or in respect of the validity or sufficiency of the Transaction Documents; and

(4) for any action or inaction of the Indenture Trustee, any Series Controlling Party or the Aggregate Controlling Party, or for the performance of, or the supervision of the performance of, any obligation under this Agreement or any Related Document that is required to be performed by the Indenture Trustee, Series Controlling Party or the Aggregate Controlling Party under this Agreement or any Related Document.

(h) No Financial Liability. No provision of this Agreement (other than the last sentence of paragraph (e) above) shall require the Servicer to expend or risk its funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder, if the Servicer shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured or provided to it. Notwithstanding the foregoing, the Servicer shall be obligated to perform its obligations hereunder, consistent with the Servicing Standard, unless the Servicer determines that it is more likely than not that it will not be reimbursed for all of its expenses incurred in connection with its obligations hereunder for reasons other than as a result of any limit on amounts payable pursuant to the definitions of Weekly Servicing Fee, Supplemental Servicing Fee and the Weekly Collections Account Allocation Priority.

(i) Reliance. The Servicer may, reasonably and in good faith, conclusively rely on, and shall be protected in acting or refraining from acting when doing so, in each case in accordance with any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and believed by it to be signed by the proper party or parties other than its Affiliates. The Servicer may reasonably accept a certified copy of a resolution of the board of directors or other governing body of any corporate party other than its Affiliates as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the manner or ascertainment of which is not specifically prescribed herein, the Servicer may in good faith for all purposes hereof reasonably rely on a certificate, signed by any Authorized Officer of the relevant party, as to such fact or matter, and such certificate reasonably relied upon in good faith shall constitute full protection to the Servicer for any action taken or omitted to be taken by it in good faith in reliance thereon.

(j) Consultations with Third Parties; Advice of Counsel. In the exercise and performance of its duties and obligations hereunder or under any of the Transaction Documents, the Servicer (A) may act directly or through agents or attorneys pursuant to agreements entered into with any of them, provided that the Servicer shall remain primarily liable hereunder for the acts or omissions of such agents or attorneys and (B) may, at the expense of the Servicer, consult with external counsel or accountants selected and monitored by the Servicer in good faith and in the absence of negligence, and the Servicer shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such external counsel or accountants with respect to legal or accounting matters.

(k) Independent Contractor. In performing its obligations as servicer hereunder the Servicer acts solely as an independent contractor of the Issuer and the other Securitization Entities, except to the extent the Servicer is deemed to be an agent of the Issuer by virtue of engaging in franchise sales activities as broker or receiving payments on behalf of the Issuer. Nothing in this Agreement shall, or shall be deemed to, create or constitute any joint venture, partnership, employment, or any other relationship between the Issuer and the Servicer other than the independent contractor contractual relationship established hereby. Nothing herein shall be deemed to vest in the Servicer title to the IP Assets. Except as otherwise provided herein or in the other Transaction Documents, the Servicer shall not be, nor shall be deemed to be, liable for any acts or obligations of the Securitization Entities, any Series Controlling Party, the Aggregate Controlling Party or the Indenture Trustee (except as set forth in Section 2.3 hereof) and, without limiting the foregoing, the Servicer shall not be liable under or in connection with the Notes. The Servicer shall not be responsible for any amounts required to be paid by the Indenture Trustee under or pursuant to the Indenture.

Section 4.4      Merger; Resignation and Assignment.

(a) Preservation of Existence. The Servicer shall not merge into any other Person or convey, transfer or lease substantially all of its assets; provided, however, that nothing contained in this Agreement shall be deemed, absent an Event of Default, Servicer Termination Event, or any event which, with the passage of time or giving of notice or both, would become one or more of the same that has occurred and is continuing or would occur giving effect to such action, to prevent (i) the merger into the Servicer of another Person, (ii) the consolidation of the Servicer and another Person, (iii) the merger of the Servicer into another Person or (iv) the sale of substantially all of the property or assets of the Servicer to another Person, so long as (A) the surviving Person of the merger or consolidation or the purchaser of the assets of the Servicer shall continue to be engaged in the same line of business as the Servicer and shall have the capacity to perform its obligations hereunder with at least the same degree of care, skill and diligence as measured by customary practices with which the Servicer is required to perform such obligations hereunder, (B) in the case of a merger, consolidation or sale, the surviving Person of the merger or the purchaser of the assets of the Servicer shall expressly assume the obligations of the Servicer under this Agreement and expressly agree to be bound by all other provisions applicable to the Servicer under this Agreement in a supplement to this Agreement in form and substance reasonably satisfactory to the Indenture Trustee and the Aggregate Controlling Party and (C) with respect to such event, in and of itself, the Rating Agency Condition has been met and the written consent of the Aggregate Controlling Party has been obtained. Notwithstanding anything to the contrary contained in this Section 4.4(a), the Servicer

shall be permitted to reorganize into a Delaware limited liability company, the sole member of which is IHOP Corp., without having to satisfy any of the requirements of the preceding sentence.

(b) Resignation. The Servicer shall not resign from the rights, powers, obligations and duties hereby imposed on it except (i) upon determination that (A) the performance of its duties hereunder is no longer permissible under applicable law and (B) there is no reasonable action which the Servicer could take to make the performance of its duties hereunder permissible under applicable law or (ii) if the Servicer is terminated as the Servicer pursuant to Section 6.1(b). As to clause (i)(A) above, any such determination permitting the resignation of the Servicer shall be evidenced by an Opinion of Counsel to such effect delivered to the Indenture Trustee and each Insurer that is a Series Controlling Party. No such resignation shall become effective until a Successor Servicer shall have assumed the responsibilities and obligations of the Servicer in accordance with Section 6.1(b). The Indenture Trustee, the Issuer, each Insurer that is a Series Controlling Party and the Rating Agencies shall be notified of such resignation in writing by the Servicer. From and after such effectiveness, the Successor Servicer shall be, to the extent of the assignment, the “Servicer” hereunder. Except as provided above in this Section 4.4(a) the Servicer may not assign this Agreement or any of its rights, powers, duties or obligations hereunder.

(c) Term of Servicer’s Obligations. Except as provided in Section 4.3(a) and Section 4.3(b), the duties and obligations of the Servicer under this Agreement shall commence on the date hereof and continue until this Agreement shall have been terminated as provided in Section 6.1(b) or Section 9.1 and shall survive the exercise by the Issuer, each Insurer or the Indenture Trustee of any right or remedy under this Agreement (other than the right of termination pursuant to Section 6.1(b)), or the enforcement by the Issuer, each Insurer, the Indenture Trustee or any Noteholder, or any subrogee of same, of any provision of the Indenture, the other Transaction Documents, the Notes or this Agreement.

Section 4.5 Notice of Certain Events. Upon the occurrence of any of the following events: (a) the Co-Issuers or any Affiliate thereof shall engage in any “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (b) any “accumulated funding deficiency” (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan, or any Lien in favor of the PBGC or a Plan shall arise on the assets of either Co-Issuer or any Affiliate thereof, (c) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Aggregate Controlling Party, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (d) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (e) the Co-Issuers or any Affiliate thereof incur, or in the reasonable opinion of the Aggregate Controlling Party are likely to incur, any liability in connection with a complete or partial withdrawal from, or the Insolvency, Reorganization or termination of, a Multiemployer Plan; (f) any other event or condition shall occur or exist with respect to a Plan (in each case in clauses (a) through (f) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to have a Material Adverse Effect); (g) a Servicer Termination Event, an Event of Default or any event which would, with the passage of



time or giving of notice or both, would become one or more of the same; or (h) any action, suit, investigation or proceeding pending or, to the knowledge of the Servicer, threatened against or affecting the Servicer, before or by any court, administrative agency, arbitrator or governmental body having jurisdiction over the Servicer or any of its properties either asserting the illegality, invalidity or unenforceability of any of the Transaction Documents, seeking any determination or ruling that would affect the legality, binding effect, validity or enforceability of any of the Transaction Documents or which could reasonably be expected to have a Material Adverse Effect, the Servicer shall provide written notice to the Indenture Trustee, each Insurer and the Rating Agencies of the same promptly and in any event within 3 (three) Business Days of obtaining knowledge of same.

Section 4.6            Capitalization. The Servicer shall have sufficient capital to perform all of its obligations under this Agreement at all times from the Closing Date and until the Indenture has been terminated in accordance with the terms thereof.

Section 4.7            Franchise Law Determination. On or prior to the date hereof, the Servicer shall file such documents as are necessary to register as a franchise broker or franchise sales agent as required by applicable state franchising authorities. Upon final determination by any state franchising authority that the Servicer is considered by such state franchising authority to be a “subfranchisor”, the Servicer within 120 days of such determination shall file such documents and take such other compliance actions as are required by such state franchising authority or under such state’s franchise laws.

Section 4.8            Maintenance of Separateness. The Servicer covenants that, except as contemplated by the Transaction Documents:

- (a)            the books and records of each Securitization Entity will be maintained separately from those of the Servicer and each of its Affiliates that is not a Securitization Entity;
- (b)            all financial statements of the Servicer that are consolidated to include any Securitization Entity and that are distributed to any party will contain detailed notes clearly stating that (i) all of such Securitization Entity’s assets are owned by such Securitization Entity, and (ii) such Securitization Entity is a separate entity and, as may be applicable, has creditors who have received interests in the Securitization Entity’s assets;
- (c)            the Servicer will observe (and will cause each of its Affiliates that is not a Securitization Entity to observe) limited liability company formalities in its dealing with any Securitization Entity;
- (d)            the Servicer shall not (and shall not permit any of its Affiliates that is not a Securitization Entity to) commingle its funds with any funds of any Securitization Entity; provided that the foregoing shall not prohibit the Servicer or any successor to or assign of the Servicer from holding funds of the Securitization Entity in its capacity as Servicer for such entity in a segregated account identified for such purpose;
- (e)            the Servicer will (and shall cause each of its Affiliates that is not a Securitization Entity to) maintain arm’s length relationships with each Securitization Entity and

each of the Servicer and its Affiliates that are not Securitization Entities will be compensated at market rates for any services it renders or otherwise furnishes to such Securitization Entity;

(f) the Servicer will not be, and will not hold itself out to be, responsible for the debts of any Securitization Entity or the decisions or actions in respect of the daily business and affairs of any Securitization Entity and the Servicer will not permit any Securitization Entity to hold the Servicer out to be responsible for the debts of such Securitization Entity or the decisions or actions in respect of the daily business and affairs of such Securitization Entity; and

(g) upon an officer or other responsible party of the Servicer obtaining actual knowledge that any of the foregoing provisions in this Section 4.8 hereof has been breached or violated in any material respect, the Servicer will promptly notify the Indenture Trustee, each Insurer that is a Series Controlling Party and the Rating Agencies of same and will take such actions as may be reasonable and appropriate under the circumstances to correct and remedy such breach or violation as soon as reasonably practicable under such circumstances.

Section 4.9            [RESERVED]

Section 4.10            Business Operations. The Servicer shall not engage in any Competitive Business or any business other than (a) the performance of its obligations under this Agreement, (b) the ownership of IHOP Holdings LLC and (c) the performance of services for future and existing Affiliates (each, a “Serviced Affiliate”), pursuant to a written servicing or management services agreement, on an arm’s length basis reasonably customary in the restaurant industry; provided that (i) the costs to the Servicer in providing such services, including without limitation, overhead, administrative and employee related expenses, shall be fairly and reasonably borne by and allocated among all such Serviced Affiliates, (ii) such rendering of services not related to the IHOP Brand will not result in a Material Adverse Effect; (iii) the Servicer shall cause to be prepared and validated separate financial statements for the provision of services pursuant to this Agreement and the other Transaction Documents, (iv) the Servicer shall at all times maintain adequate offices, equipment and employees necessary to perform its obligations under this Agreement and the other Transaction Documents and (v) neither the Servicer nor any of its Affiliates shall engage in a Competitive Business other than as provided herein and in the other Transaction Documents.

Section 4.11            Amendment of and Compliance with Collection Practices.

(a) Without the prior written consent of the Aggregate Controlling Party, the Servicer shall not make or permit to be made any change or modification to its historical practices with respect to the collection of the Franchise Payments of the Franchise Assets as set forth in Schedule 4.11 hereto (the “Collection Practices”), except (i) if such changes or modifications are required under applicable law or (ii) if such changes or modifications would not, in the Servicer’s reasonable business judgment, materially negatively affect the collectibility or timing of, or materially decrease the amount of, the Franchise Payments.

(b) The Servicer shall perform its obligations hereunder in accordance with and comply in all material respects with the Collection Practices.

Section 4.12      Protection of Secured Parties’ Rights and Collectibility of Franchise Payments. The Servicer hereby agrees that it shall take no action, nor omit to take any action, which could reasonably be expected to (a) materially adversely impair the rights, remedies or interests of the Noteholders or the other Secured Parties under the Transaction Documents in respect of the Franchise Assets or the IP Assets or (b) materially impair the collectibility or timing of the Franchise Payments of the Franchise Assets or the IP Assets.

Section 4.13      Security Interest. The Servicer hereby covenants and agrees that it shall promptly take all actions required (including but not limited to all filings and other acts necessary or reasonably requested by the Indenture Trustee or any Insurer (so long as it is a Series Controlling Party) as being advisable under the UCC or other applicable law) in order to continue the valid, perfected and enforceable security interest of the Indenture Trustee in all Serviced Assets now owned or hereafter created or acquired (to the extent that a security interest may be perfected therein under the UCC or other applicable law).

Section 4.14      Notices. The Servicer shall give written notice to the Issuer, the Co-Issuer, the Indenture Trustee and each Insurer, promptly (but in any event within 3 Business Days) upon becoming aware of the occurrence of (a) any Event of Default or Servicer Termination Event or any event which, with the passage of time or giving of notice or both, would become one or more of the same, or (b) the occurrence of any other development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Section 4.15      Indebtedness. Neither the Servicer nor any of its Affiliates (other than the Securitization Entities as and to the extent permitted by the Transaction Documents) shall incur Debt (including, but not limited to, guaranties or pledges of its property) other than (a) trade debt incurred in the ordinary course of business, (b) debt and contingent liabilities, in existence on the date hereof, as set forth in Schedule 4.15 hereto, (c) additional debt for working capital or capital improvements, in all cases not in excess of \$25,000,000 in the aggregate outstanding at any time, and (d) debt incurred in connection with any indemnification obligations of the Servicer.

Section 4.16      Qualification of Issuer. As of the Closing Date, the Issuer will be duly qualified under applicable law in each jurisdiction in which it carries on the Business to act as a franchisor with respect to the Franchise Assets. As of each New Asset Addition Date, the Issuer will be duly qualified under applicable law in each jurisdiction in which it carries on the Business to act as a franchisor with respect to the New Assets.

**ARTICLE V**  
**REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 5.1      Representations and Warranties Made in Respect of New Assets.

(a)      New Franchise Documents. As of the applicable New Asset Addition Date with respect to the New Franchise Document acquired on such New Asset Addition Date, the Servicer shall be deemed to make the following representations and warranties:

- (i) Such New Franchise Document is genuine, and is the legal, valid and binding obligation of the parties thereto, has been fully and properly executed by the parties thereto, and is enforceable against the parties thereto in accordance with its terms (except as such enforceability may be limited by bankruptcy or insolvency laws and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law);
- (ii) Such New Franchise Document complies in all material respects with all requirements of applicable Requirements of Law whether in the United States or Mexico or any other foreign country; provided, that, in case of any foreign country other than Mexico, the Servicer shall have obtained the prior written consent of the Aggregate Controlling Party with respect to the entry into such foreign country, which consent shall not be unreasonably withheld or delayed;
- (iii) No Franchisee party to such New Franchise Document is the subject of a bankruptcy proceeding;
- (iv) Continuing Franchise Fees and similar fees payable pursuant to such New Franchise Document are payable at least weekly; provided, however, that the Servicer may cause the Issuer to enter into or acquire a New Franchise Document that provides for Continuing Franchise Fees and similar fees to be payable less frequently than weekly if the aggregate fees payable under all New Franchise Agreements that provide for payment of Continuing Franchise Fees and similar fees less frequently than weekly are not reasonably anticipated to exceed 5% of total Collections in the twelve month period immediately following the commencement or addition of any such New Franchise Document. The parties hereby acknowledge and agree that any agreement between the Issuer and an Area Licensee shall not be subject to the foregoing restriction;
- (v) Following the implementation of a system of electronic funds transfer (“EFT”) with respect to substantially all of the Franchisees, the Issuer shall have the right to require payment of Continuing Franchise Fees by EFT, other than with respect to Franchisees who are parties to Existing Franchise Documents as to whom the application of EFT has been waived by the Servicer;
- (vi) Except as required by law, such New Franchise Document contains no contractual rights of setoff or contractual defenses to obligations to make payment of any amounts payable by the Franchisee under such New Franchise Document;
- (vii) Such New Franchise Document is freely assignable by the Issuer or the relevant Securitization Entity, as applicable;
- (viii) Such New Franchise Document does not contain terms and conditions that are reasonably expected to result in (A) a material decrease in the amount of Collections, taken as a whole, (B) a material adverse change in the nature, quality or timing of Collections, taken as a whole, or (C) a material adverse change in the general assets categories generating Collections, taken as a whole, in each case when compared to the amount, nature, quality or general categories generating Collections that could have been

reasonably expected to result had such New Franchise Document been entered into in accordance with the Prior Terms.

(ix) The relevant Securitization Entity shall not have entered into or acquired a New Franchise Document that (A) is materially different, in the good faith reasonable business judgment of the Servicer, from a New Franchise Document that such Securitization Entity would have entered into or acquired had the Serviced Assets affected by such New Franchise Document or other agreement been owned by the Servicer, or from the Current Practice, subject to the Servicing Standard (B) would cause a breach of the Indenture or any other Transaction Document, (C) would, in the reasonable good faith business judgment of the Servicer, materially negatively affect the collectibility or timing of, or materially decrease the amount of, Collections and other payments relating to the Serviced Assets affected by such New Franchise Document, (D) would restrict the Issuer's or the relevant Securitization Entity's right to assign such New Franchise Document or (E) would permit the Franchisee or other party to such New Franchise Document to set off any amount against Collections or other payments payable by such Franchisee or other party under such New Franchise Document. Without limiting the generality of the foregoing:

(1) If such New Franchise Document is a New Franchise Agreement, such New Franchise Agreement does not materially deviate from (a) the standard form Franchise Agreement attached to the Uniform Franchise Offering Circular of IHOP Inc. as of November 12, 2006 (the "UFOC") or such other form previously approved by each Insurer or (b) the prevailing royalty rates adopted by the Servicer for its franchise system as applicable as of the date of this Agreement, payment arrangements implemented in accordance with the Servicing Standard, or any other rates as previously approved by each Insurer. In addition, as of the New Asset Addition Date, the Franchisee under any New Franchise Agreement (i) has capital resources commensurate with the proposed development plan submitted by the Franchisee, supported by proper documentation, except under circumstances in which such capital requirement may be waived by Servicer in the good faith exercise of its reasonable business judgment and consistent with the Servicing Standard, (ii) is committed to employ trained restaurant management and to maintain proper staffing levels, (iii) if also a Franchisee under any other Franchise Agreement, is in compliance with, or otherwise not deemed by the Servicer in accordance with the Servicing Standard to be in default of, such Franchise Agreement, and (iv) shall have a credit rating that satisfies the Servicer's standards in accordance with the Servicing Standard.

(2) If such New Franchise Document is a New Franchise Lease or Franchisee Sublease, such New Franchise Lease, or Franchisee Sublease does not materially deviate from the prevailing forms adopted by the Servicer for its franchise system as of the date of this Agreement, or any other forms as previously approved by each Insurer and if such New Franchise Document is a New Franchise Lease or New Franchisee Sublease, such New Franchise Lease or New Franchisee Sublease is on such terms regarding rent and other expenses payable by such tenant as shall reasonably be expected to return an aggregate net

profit (on a gross basis) to such Securitization Entity at all times, after taking into account acquisition expense, in the case of properties owned in fee or rent and other amounts payable by such Securitization Entity to a prime landlord with respect to such property.

(b) New Owned Real Property. As of the applicable New Asset Addition Date with respect to the New Owned Real Property acquired on such date, the Servicer shall be deemed to have made the following representations and warranties:

(i) The Servicer has conducted or caused to be conducted a Phase I environmental study on such Property prior to its acquisition, and has taken or caused to be taken all prudent and appropriate action, remediation, follow up study or clean up measures on such Property as indicated by such Phase I environmental study;

(ii) The Servicer has obtained, on behalf of the applicable Securitization Entity, an appropriate level of title insurance and property insurance as necessary in the good faith reasonable judgment of the Servicer in accordance with the Servicing Standard and, to the knowledge of the Servicer, neither the Servicer nor any Securitization Entity, has received written notice from any insurance company or rating organization to the effect that the physical condition of such New Owned Real Property would prevent obtaining new insurance policies at reasonable rates;

(iii) The Securitization Entity holding such New Owned Real Property has good, marketable and insurable fee simple title to the premises of such New Owned Real Property, free and clear of all Liens whatsoever (other than Permitted Liens);

(iv) To the knowledge of the Servicer after due inquiry, there are no claims that have been filed for payment for work, labor or materials affecting such New Owned Real Property which are or may become a Lien upon the interest of the applicable Securitization Entity in such New Owned Real Property except for (x) liens arising from work, labor or materials that is not performed at the request of such Securitization Entity, and (y) Permitted Liens;

(v) The Securitization Entity holding such New Owned Real Property, (x) is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions applicable to such New Owned Real Property the violation of which could create a reversion of title in such New Owned Real Property and (y) does not have any financial obligations under any indenture, mortgage, deed of trust, loan agreement or other debt agreement or instrument to which it is a party or by which it or such New Owned Real Property is otherwise bound, other than the Transaction Documents, Permitted Liens and obligations incurred in the ordinary course of the operation of the Properties, none of which are secured by a Lien (other than a Permitted Lien) upon any Property;

(vi) The Securitization Entity holding such New Owned Real Property and each applicable Property and the use thereof complies in all material respects with all applicable legal requirements, including, without limitation, building and zoning

ordinances and codes. Neither the Securitization Entity holding such New Owned Real Property, nor, to the knowledge of the Servicer, any Franchisee leasing or subleasing such Property from a Securitization Entity, is in material default or violation of any order, writ, injunction, decree or demand of any Governmental Authority in respect of such Property. There has not been committed by the Securitization Entity holding such New Owned Real Property or, to the knowledge of the Servicer, any Franchisee in occupancy of or involved with the operation or use of such Property any act or omission affording any Governmental Authority the right of forfeiture as against such Property or any material part thereof;

(vii) No condemnation or similar proceeding has been commenced nor, to the knowledge of the Servicer, is threatened with respect to all or any material portion of such New Owned Real Property or for the relocation of roadways providing access to such New Owned Real Property that, in either case, was not considered in the acquisition of such New Owned Real Property;

(viii) Such New Owned Real Property is comprised of one (1) or more parcels which constitute a separate tax lot or lots and does not constitute a portion of any other tax lot not a part of such New Owned Real Property, other than New Owned Real Property with respect to which the Servicer is taking appropriate action on behalf of the applicable Securitization Entity to obtain separate tax lot classification;

(ix) To the knowledge of the Servicer after due inquiry, there are no material pending or proposed special or other assessments for public improvements materially affecting such New Owned Real Property that were not considered in the acquisition of such New Owned Real Property;

(x) Except pursuant to the Transaction Documents, no Securitization Entity has pledged any of its interest in such New Owned Real Property or related Franchisee Lease, nor pledged or assigned any portion of the rent due and payable thereunder or to become due and payable thereunder to any Person;

(xi) All material certifications, permits, licenses and approvals, including without limitation, certificates of completion and occupancy permits required for the legal use, occupancy and operation of such New Owned Real Property as a Restaurant, if such property is open for business, have been obtained and are in full force and effect. The use being made of such New Owned Real Property, if opened for business, is in conformity with the certificate of occupancy issued for such Property;

(xii) Such New Owned Real Property is not subject to any leases other than the Franchisee Leases, except as would not materially detract from the value of such Property. No Person has any possessory interest in such New Owned Real Property or right to occupy the same except under and pursuant to the provisions of the Franchisee Leases; and

(xiii) The Servicer has paid, caused to be paid, or confirmed that all transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes

required to be paid by any Person under applicable Requirements of Law currently in effect in connection with the acquisition of such New Owned Real Property have been paid in full.

(c) New Leased Real Property. As of the applicable New Asset Addition Date with respect to the New Leased Real Property acquired on such New Asset Addition Date, the Servicer shall be deemed to have made the following representations and warranties:

(i) With respect to any such New Leased Real Property on which the Servicer or any Securitization Entity has constructed or intends to construct a new Restaurant where there is previously no existing structure, the Servicer has conducted or caused to be conducted a Phase I environmental study on such Property prior to it being leased and has taken or caused to be taken all prudent and appropriate action, remediation, follow up study or clean up measures on such Property as indicated by such Phase I environmental study;

(ii) With respect to such New Leased Real Property other than New Leased Real Property described in subsection (i) above, the Servicer has conducted or caused to be conducted a “desk top” Phase I environmental study on such Property and has taken or caused to be taken appropriate remediation or follow up study measures on such Property, consistent with the Servicing Standard;

(iii) Such New Leased Real Property is not reasonably expected to be a Negative Lease; provided, however, that any New Leased Real Property subject to a Non-Conforming New Franchise Document shall not be construed as being a Negative Lease;

(iv) With respect to New Leased Real Property, the Securitization Entity party to such Property Lease and related Franchisee Sublease has good and marketable leasehold title to such Property Lease and related Franchisee Sublease free and clear of all Liens (other than Permitted Liens);

(v) The Securitization Entity holding such New Leased Real Property and each applicable Property and the use thereof complies in all material respects with all applicable legal requirements, including, without limitation, building and zoning ordinances and codes. Neither the Securitization Entity holding such New Leased Real Property, nor, to the knowledge of the Servicer, any Franchisee leasing or subleasing such Property from a Securitization Entity, is in material default or violation of any order, writ, injunction, decree or demand of any Governmental Authority in respect of such Property. There has not been committed by the Securitization Entity holding such New Leased Real Property or, to the knowledge of the Servicer, any Franchisee in occupancy of or involved with the operation or use of such Property any act or omission affording any Governmental Authority the right of forfeiture as against such Property or any material part thereof;

(vi) No condemnation or similar proceeding has been commenced nor, to the knowledge of the Servicer, is threatened with respect to all or any material portion of



such New Leased Real Property or for the relocation of roadways providing access to such New Leased Real Property that, in either case, was not considered in the leasing of such New Leased Real Property;

(vii) All of the policies of insurance (x) required to be maintained by the applicable Securitization Entity under such Property Leases and (y) to the knowledge of the Servicer, required to be maintained by Franchisees under the Franchisee Sublease related thereto, if applicable, are valid and in full force and effect; and to the knowledge of the Servicer, neither the Servicer nor any Securitization Entity, received written notice from any insurance company or rating organization to the effect that the physical condition of such New Leased Real Property would prevent obtaining new insurance policies at reasonable rates. Notwithstanding anything to the contrary herein, the representation set forth in this Section 5.1(c)(vii) with respect to the policies to be maintained by the applicable Securitization Entity pursuant to such Property Lease shall be deemed accurate if the applicable Securitization Entity has contractually obligated the Franchisee party to such related Franchisee Sublease to maintain insurance with respect to such Franchisee Sublease in a manner that is customary for business operations of this type and in accordance with the Servicing Standard.

(viii) All material certifications, permits, licenses and approvals, including without limitation, certificates of completion and occupancy permits required for the legal use, occupancy and operation of such New Leased Real Property as a Restaurant, if such property is open for business, have been obtained and are in full force and effect. The use being made of such New Leased Real Property, if open for business, is in conformity with the certificate of occupancy issued for such Property;

(ix) Such New Leased Real Property is not subject to any leases, other than the Property Leases and the Franchisee Subleases. No Person has any possessory interest in such New Leased Real Property or right to occupy the same except under and pursuant to the provisions of the Property Leases and the Franchisee Subleases, except as would not materially detract from the value of such Property; and

(x) The Servicer has paid, caused to be paid, or confirmed that all transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Requirements of Law currently in effect in connection with the entering into of the Property Lease and the related Franchisee Sublease for such New Leased Real Property have been paid in full.

Section 5.2 Other Transferred Assets. (a) The Servicer (i) shall transfer to the Issuer or its applicable Subsidiary, or otherwise cause the Issuer or its applicable Subsidiary (such as the IP Company) to enter into or acquire, (A) all Franchise Arrangements relating to the IHOP Brand, (B) all Intellectual Property that should be owned by the IP Company pursuant to the terms of the IP License Agreement and any After Acquired IP Assets pursuant to Section 2.1(c), (C) any New Owned Real Property or New Leased Real Property relating to the IHOP Brand, (D) any Product Sourcing Agreements relating to the IHOP Brand and (E) all other assets now or hereafter relating to the IHOP Brand and (ii) subject to the prior satisfaction of the Rating Agency Condition and the prior written consent of the Aggregate Controlling Party, may, but

shall not be obligated to, contribute to the Issuer or its applicable Subsidiary, or otherwise cause the Issuer or its applicable Subsidiary to enter into, develop or acquire, any other asset or liability. The Aggregate Controlling Party shall have the right to approve the Securitization Entities that shall hold any of the assets obtained after the Closing Date described in this Section 5.2(a) and entered into, developed or acquired by the Issuer or a Subsidiary thereof (the “Post Closing Assets”), including the right to direct that any Post Closing Assets be held by one or more newly formed Securitization Entities if the Aggregate Controlling Party reasonably believes that such Post Closing Assets could impair the Collateral; provided that IP Assets which constitute the IHOP Brand or are exclusively related thereto, shall be held by the IP Company.

(b) Unless otherwise agreed to in writing by the Aggregate Controlling Party, any contribution to, or development or acquisition by, the Issuer or a Subsidiary thereof of Post Closing Assets shall be subject to all applicable provisions of the Indenture, this Agreement (including the applicable representations and warranties and covenants in Articles II and V of this Agreement) and the IP License Agreement and the other Transaction Documents. Any Franchise Arrangement that is a Post Closing Asset shall be deemed to be a New Franchise Document for the purposes of this Agreement.

Section 5.3      Ownership of IP Assets. All IP Assets (other than any immaterial IP Assets and, to the extent permitted under Section 7.8(a)(xvi) of the Indenture, any IP Assets which have been disposed of) shall be, after giving effect to the Transaction Documents, owned exclusively by the IP Company and shall not be assigned or transferred by the IP Company to any other entity.

Section 5.4      Notice Regarding Property Leases. In the event that IHOP Property Leasing or IHOP Properties, or the Servicer on behalf of IHOP Property Leasing or IHOP Properties, respectively, receives any notice from a Property Lessor of the lack of payment or alleging any breach, violation or default under the applicable Property Lease or otherwise requesting payment of rent thereunder or action be taken to remedy a breach, violation or default, the Servicer shall notify the Indenture Trustee and each Series Controlling Party.

Section 5.5      Other Covenants. With regard to payments received from Franchisees operating one or more Type 3 IHOP Restaurants, together with one or more IHOP Restaurants other than Type 3 IHOP Restaurants, and to the extent such payments represent both Franchise Payments and other amounts that do not constitute Collections or Excluded Amounts and payments in respect of the Type 3 IHOP Restaurants, the Servicer agrees to cause the Lock-Box Bank to forward such payments (prior to the deposit thereof to the Lock-Box Account) to the Servicer. Further, the Servicer covenants to deposit the portion of such payments constituting Collections to the Lock-Box Account within 2 Business Days of receipt thereof from the Lock-Box Bank. On each Weekly Allocation Date, the Servicer will provide to the Series Controlling Party and the Aggregate Controlling Party reconciliation data in respect of the foregoing payments and deposits.

## ARTICLE VI

### DEFAULT

#### Section 6.1 Servicer Termination Events.

(a) Servicer Termination Events. Any of the following acts or occurrences shall constitute a Servicer Termination Event under this Agreement, the assertion as to the occurrence of which may be made, and notice of which may be given, by either the Issuer or the Indenture Trustee:

(i) any failure (x) by the Servicer to remit to the Lock-Box Account within two (2) Business Days of its actual knowledge of its receipt thereof, any payments required to be deposited into the Lock-Box Account received by it in respect of the Serviced Assets, (y) of the Servicer to make any payment due under the Servicing Agreement within two (2) Business Days of when such payment was required to be made hereunder or (z) by IHOP Inc. (for so long as it is the Servicer) to make any payment due under any Transaction Document to which it is a party within two (2) Business Days of when such payment was required to be made by it thereunder;

(ii) the default by the Servicer in delivering the Monthly Noteholders' Statement pursuant to Section 3.1(b) or any report pursuant to Section 3.1 and Section 3.2 on its due date and the continuation of such default uncured for a period of five (5) days after it has been notified by the Issuer or an Insurer, or otherwise obtained knowledge of such default;

(iii) the Cumulative Debt Service Coverage Ratio falls below the greatest of the STE Series DSCR Thresholds applicable to each Outstanding Series of Notes (as set forth in the relevant Series Supplements);

(iv) the default by (x) the Servicer in the due performance or observance of any provision or covenant under this Agreement, or (y) IHOP Inc. (for so long as it is the Servicer) in the due performance or observance of any provision or covenant under any Transaction Document to which it is a party but, in the case of any such default by IHOP Inc., only to the extent that such default could reasonably be expected to have a Material Adverse Effect, and any such default remains uncured for a period of fifteen (15) days after it has been notified by the Issuer, any Series Controlling Party, the Indenture Trustee or any Insurer or otherwise obtained knowledge of such default; provided, however, that as long as the Servicer or IHOP Inc., as applicable, is diligently attempting to cure such default (only to the extent it is curable), such cure period shall be extended by an additional period as may be required to cure such default, but in no event by more than an additional fifteen (15) days; and provided, further, that any default related to the transfer of a defective asset pursuant to the terms of this Agreement or an Asset Transfer Agreement shall be deemed cured for purposes hereof upon payment in full by the applicable transferor of the liquidated damages amount and other amounts specified in and in accordance with this Agreement or such Asset Transfer Agreement;

(v) any representation, warranty or statement of the Servicer made in this Agreement or by the Servicer in any certificate, report or other writing delivered pursuant hereto or thereto that is not qualified by materiality or a Material Adverse Effect proves to be incorrect in any material respect, or any such representation, warranty or statement that is qualified by materiality or Material Adverse Effect proves to be incorrect, in each case as of the time when the same was made or deemed to have been made or as of any other date specified in this Agreement; provided that if any such breach is capable of being remedied within fifteen (15) days of the Servicer's receipt of notice thereof, then a Servicer Termination Event shall only occur under this clause (v) as a result of such breach if it is not cured by the end of such fifteen (15) day period;

(vi) for so long as it is the Servicer (a) any representation, warranty or statement of IHOP Inc. made in any Transaction Document or in any certificate, report or other writing delivered pursuant thereto that is not qualified by materiality or a Material Adverse Effect proves to be incorrect in any material respect, or (b) any such representation, warranty or statement that is qualified by materiality or Material Adverse Effect proves to be incorrect, in each case as of the time when the same was made or deemed to have been made or as of any other date specified in such document or agreement and such event could reasonably be expected to have a Material Adverse Effect; provided that if any such breach is capable of being remedied within fifteen (15) days of IHOP Inc.'s knowledge of such breach or receipt of notice thereof and the Servicer diligently attempts to remedy such breach during such 15 day period, then a Servicer Termination Event shall only occur under this clause (vi) as a result of such breach if it is not cured in all material respects by the end of such 15 day period;

(vii) an Event of Bankruptcy with respect to the Servicer shall have occurred;

(viii) an Event of Default under the Indenture has occurred and is continuing;

(ix) a final non appealable judgment for an amount, which when aggregated with the amount of other such judgments, exceeds \$10,000,000 (exclusive of any portion thereof which is insured) is rendered against the Servicer by a court of competent jurisdiction and is not paid or discharged within 30 days;

(x) (A) any Person other than IHOP Corp. shall become the owner of more than fifty percent (50%) of the voting stock in IHOP Inc. or (B) IHOP Corp. merges with another entity unaffiliated with IHOP Corp. and IHOP Corp. is not the surviving entity unless (1) such surviving entity has executed an assumption agreement pursuant to which it agrees to assume all of the obligations of IHOP Corp. under the Transaction Documents and (2) the Rating Agency Condition is satisfied with respect to any then Outstanding Series of Notes;

(xi) an event of default or default occurs with respect to any Debt of the Servicer or any affiliate thereof, other than any Securitization Entity or IHOP Holdings, in an aggregate principal amount greater than \$50,000,000 and such default or event of default is not cured within 60 days of notice or knowledge, or the payment of any Debt of any of the Servicer or any Affiliate thereof, other than any Securitization Entity or IHOP

Holdings, of an aggregate principal amount greater than \$50,000,000 is accelerated following a default or event of default under the terms of such Debt; or

(xii) the failure of IHOP Corp. (on a consolidated basis) to maintain an IHOP Corp. Consolidated Leverage Ratio of equal to or less than the least of the Series IHOP Corp. Consolidated Ratio Thresholds applicable with respect to any Outstanding Notes.

Any Servicer Termination Event shall be deemed to continue until such time as the Aggregate Controlling Party has consented to cease such continuation; provided, however, that such consent by the Aggregate Controlling Party shall not be construed to negate or supersede each Series Controlling Party's rights, if any, to dissent or otherwise determine individually with respect to any other matters under the Transaction Documents.

(b) Back-Up Servicer.

(i) Within two (2) days of obtaining knowledge of (i) the occurrence and continuance of any Servicer Termination Event or (ii) the resignation of the Servicer pursuant to Section 4.4(b), the Issuer and the Indenture Trustee shall notify the Back-Up Servicer, the Lock-Box Bank, the Aggregate Controlling Party, the Rating Agencies and each Series Controlling Party in writing of such occurrence. Upon receipt of such notice, the Back-Up Servicer shall immediately commence performance of its services in accordance with the Back-Up Servicer Agreement and shall, within 15 days after receipt of such notice, have taken all steps necessary to enable itself to provide the Back-Up Services (as defined below).

(ii) The Servicer agrees to fully cooperate and provide such access and assistance to the Back-Up Servicer as the Back-Up Servicer may request to permit the Back-Up Servicer to so integrate itself into the business of the Servicer and to put itself in a position to provide the Back-Up Services in accordance with the terms of the Back-Up Servicer Agreement. As soon as the Back-Up Servicer is prepared to provide the Back-Up Services, it shall deliver a written notice thereof to the Issuer, the Indenture Trustee and the Servicer, in accordance with the manner of delivery specified in the Back-Up Servicing Agreement. In the event that the Servicer fails to cooperate or to provide access or assistance to the Back-Up Servicer, the Back-Up Servicer shall promptly advise the Aggregate Controlling Party of such failure. The parties hereto agree that time is of the essence and that such obligations of the Servicer under this Section 6.1(b)(ii) would not be sufficiently remedied only by money damages and that the Back-Up Servicer or the Aggregate Controlling Party may seek equitable relief for any such failure of the Servicer to perform its obligations hereunder.

(iii) Upon the occurrence of a Servicer Termination Event, the rights, powers, duties, obligations and responsibilities of the Servicer under this Agreement, whether with respect to the Serviced Assets, the Indenture Trust Accounts, Advertising Funds Account, Lease and Reimbursement Payment Account, the Residual Account or otherwise shall vest in and be assumed by the Back-Up Servicer; provided, however, that the Back-Up Servicer shall act only in consultation with and at the direction of, the Aggregate Controlling Party (and the IP Holder, as required hereunder). The Servicer

hereby agrees to cooperate with the Back-Up Servicer, the Issuer, the other Securitization Entities and the Aggregate Controlling Party in connection with the conduct of the Back-Up Services and the development of the Back-Up Servicer Proposal. In accordance with the Account Control Agreement (Other Accounts) and the Back-Up Servicer Agreement, the Indenture Trustee shall provide a written notice to the Lock-Box Bank (copying the Back-Up Servicer, the Aggregate Controlling Party and each Insurer that is a Series Controlling Party) upon the occurrence of a Servicer Termination Event, which notice shall inform the Lock-Box Bank of such occurrence and instruct it to deny any access to the Advertising Funds Account and the Lease and Reimbursement Payment Account (and any funds on deposit therein) by the Issuer or the Servicer. Thereafter, the Indenture Trustee, at the direction of the Back-Up Servicer, shall provide instructions to the Lock-Box Bank required by the Transaction Documents relating to the Advertising Funds Account, the Lease and Reimbursement Payment Account and the Residual Account (and any funds on deposit therein).

(iv) At the time that such rights, powers, duties, obligations and responsibilities of the Servicer vest in the Back-Up Servicer, the Servicer shall be deemed to have become a subservicer for the Back-Up Servicer, and in such capacity shall perform such duties, obligations and responsibilities of the Back-Up Servicer under this Agreement and the other Transaction Documents and the Serviced Documents as the Back-Up Servicer shall direct. The Back-Up Servicer shall compensate the Servicer as a subservicer from the Weekly Servicing Fee after payment of amounts due to the Back-Up Servicer and if such fee is insufficient shall apply the Supplemental Servicing Fee first to amounts due the Back-Up Servicer and then to the Servicer as subservicer. If the amount of the Supplemental Servicing Fee then payable is insufficient, the Back-Up Servicer shall request an increase thereof from the Aggregate Controlling Party (though, for the avoidance of doubt, the Aggregate Controlling Party shall have no obligation to agree thereto).

(v) The “Back-Up Services” shall include all duties, obligations and responsibilities that would have been required of the Servicer if no Servicer Termination Event had occurred. In connection therewith, the Back-Up Servicer shall have all rights and powers that the Servicer would have had had such Servicer Termination Event not occurred; provided that the Back-Up Servicer shall only exercise such rights and powers and dispatch such duties, obligations and responsibilities in consultation with, and at the direction of, the Aggregate Controlling Party (and the IP Holder, as required hereunder). In addition, as part of the Back-Up Services, the Back-Up Servicer shall exercise commercially reasonable efforts to develop and deliver to the Aggregate Controlling Party a comprehensive proposal (the “Back-Up Servicer Proposal”) within 90 days from the occurrence of the relevant Servicer Termination Event setting forth, among other things, a recommendation in respect of the Successor Servicer or the Servicer, which may include but is not limited to the reorganization and/or re-engagement of the Servicer. In preparing such proposal, the Back-Up Servicer shall seek to efficiently maximize the value of the Serviced Assets subject to the rights of the Secured Parties and also taking into account the exigencies of current circumstances. The Back-Up Servicer shall consult and cooperate with the Aggregate Controlling Party in developing the Back-Up Servicer Proposal. Notwithstanding anything contained herein or in the Back-Up Servicer

Agreement, the occurrence of any Servicer Termination Event shall not prevent the Securitization Entities from performing any one or more of the Services on their own behalf in the interim.

(c) Back-Up Servicer Proposal; Approvals.

(i) The Back-Up Servicer shall first submit the Back-Up Servicer Proposal to the Aggregate Controlling Party for its approval, and to the extent such approval is not granted, both the Back-Up Servicer and the Aggregate Controlling Party shall continue to work in good faith to achieve such approval.

(ii) If the Back-Up Servicer Proposal provides for the re-engagement of the Servicer, the Servicer shall continue to provide the subservices until all conditions to such re-engagement have been satisfied. If the Back-Up Servicer Proposal contemplates the re-engagement of the Servicer and such proposal is approved by the Aggregate Controlling Party, then the Back-Up Servicer shall submit the Back-Up Servicer Proposal to the Servicer. In the event that such Back-Up Servicer Proposal is rejected by the Servicer, the Servicer shall continue to provide such subservicing duties as the Back-Up Servicer requests pending the appointment of a Successor Servicer.

(iii) If the Back-Up Servicer Proposal does not contemplate the re-engagement of the Servicer but the engagement of a Successor Servicer, the Servicer shall continue to provide such subservicing duties as the Back-Up Servicer requests pending the appointment of a Successor Servicer. Upon appointment of a Successor Servicer without any arrangement for further services to be provided by the Servicer, the Servicer shall be immediately terminated and thereafter shall be prohibited to act in any capacity in respect of the Services except to provide the Disentanglement Services (as defined below) and as otherwise consented to by the Back-Up Servicer and the Aggregate Controlling Party.

(d) From and during the continuation of a Servicer Termination Event, each Securitization Entity and the Indenture Trustee are hereby irrevocably authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney in fact or otherwise, all documents and other instruments (including any notices to Franchisees deemed necessary or advisable by the Issuer or the Aggregate Controlling Party), and to do or accomplish all other acts or take other measures necessary or appropriate, to effect such vesting and assumption of such duties by the Back-Up Servicer in accordance with the Transaction Documents and subject to the direction of the Aggregate Controlling Party.

Section 6.2 Servicer's Transitional Role

(a) Disentanglement. Upon the termination of the Servicer pursuant to Section 6.1(c)(ii) above, the Servicer shall (i) continue to cooperate with the Back-Up Servicer in the conduct of the Back-Up Services and the implementation of the Back-Up Servicer Proposal until a Successor Servicer is identified and (ii) accomplish a complete transition to the Successor Servicer, without interruption or adverse impact on the provision of Services (the "Disentanglement"). Thereafter, the Servicer shall cooperate fully with the Successor Servicer and otherwise promptly take all actions required to assist in effecting a complete

Disentanglement and will follow any directions that may be provided by the Back-Up Servicer. The Servicer shall provide all information and assistance regarding the terminated Services required for Disentanglement, including data conversion and migration, interface specifications, and related professional services. The Servicer shall provide for the prompt and orderly conclusion of all work, as the Back-Up Servicer and the Aggregate Controlling Party may direct, including completion or partial completion of projects, documentation of all work in progress, and other measures to assure an orderly transition to the Successor Servicer. All services relating to Disentanglement (“Disentanglement Services”), including all reasonable training for personnel of the Back-Up Servicer, the Successor Servicer or the Successor Servicer’s designated alternate service provider in the performance of the Services, will be deemed a part of the Services to be performed by the Servicer. The Servicer will use commercially reasonable efforts to utilize existing resources to perform the Disentanglement Services.

(b) Fees and Charges for the Back-Up and Transitional Services. During the Disentanglement Period (as defined below), the Servicer shall continue to be entitled to payment of fees under Section 6.1(b)(iv). Upon the Successor Servicer’s assumption of the obligation to perform all Services hereunder, the Servicer shall be entitled to reimbursement of its actual costs for the provision of any Disentanglement Services.

(c) Duration of Obligations. The Servicer’s obligation to provide Disentanglement Services will not cease during the period (the “Disentanglement Period”) commencing on the date that a Servicer Termination Event occurs and ending upon the date on which the Successor Servicer or the re-engaged Servicer shall assume all of the obligations of the Servicer hereunder.

(d) Subservicing Arrangements; Authorizations.

(i) With respect to each Subservicing Arrangement and unless the Aggregate Controlling Party elects to terminate such Subservicing Arrangement in accordance with Section 2.10 hereof, the Servicer will:

(x) assign to the Successor Servicer (or such Successor Servicer’s designated alternate service provider) all of the Servicer’s rights under such Subservicing Arrangement to which it is party used by the Servicer in performance of the transitioned Services; and

(y) procure any third party authorizations necessary to grant the Successor Servicer (or such Successor Servicer’s designated alternate service provider) the use and benefit of such Subservicing Arrangement to which it is party used by the Servicer in performing the transitioned Services, pending their assignment to the Successor Servicer under this Agreement.

(ii) If the Aggregate Controlling Party elects to terminate such Subservicing Arrangement in accordance with Section 2.10 hereof, the Servicer will take all reasonable actions necessary to accomplish a complete transition of the Services performed by such subservicer to the Successor Servicer, or to any alternate service provider designated by



the Aggregate Controlling Party, without interruption or adverse impact on the provision of Services.

Section 6.3            Intellectual Property. Within thirty (30) days of termination of this Agreement for any reason, Servicer shall deliver and surrender up to the IP Company (with a copy to the Back-Up Servicer) any and all products, materials, or other physical objects containing the Trademark Assets or Confidential Information of the IP Company and any copies of copyrighted works included in IP Assets in the Servicer’s possession or control, and shall terminate all use of all IP Assets, including trade secrets.

Section 6.4            Third Party Software. The Servicer will assist and fully cooperate with the Successor Servicer or its designated alternate service provider in obtaining any necessary licenses or consents to any third party software then being used by the Servicer or any Subservicer. The Servicer will assign any such license or sublicense directly to the Successor Servicer or its designated alternate service provider to the extent the Servicer has the necessary rights to assign such agreements to the Successor Servicer without incurring any additional cost.

Section 6.5            No Effect on Other Parties. Upon any termination of the rights and powers of the Servicer from time to time pursuant to Section 6.1 or upon any appointment of a Successor Servicer, all the rights, powers, duties, obligations, and responsibilities of the Securitization Entities or the Indenture Trustee under this Agreement, the Indenture and the other Transactions Documents shall remain unaffected by such termination or appointment and shall remain in full force and effect thereafter, except as otherwise expressly provided in this Agreement or in the Indenture.

Section 6.6            Injunction. The Servicer agrees that a breach or violation of Section 4.3 or 4.10 or ARTICLE VI, VII or VIII of this Agreement is likely to result in immediate and irreparable injury and harm to the other parties. In such event, the non breaching party shall have, in addition to any and all available remedies, the right to an injunction, specific performance or other equitable relief to prevent the violation of obligations under this Agreement.

Section 6.7            Rights Cumulative. All rights and remedies from time to time conferred upon or reserved to the Securitization Entities, the Indenture Trustee, each Insurer or the Noteholders or to any or all of the foregoing are cumulative, and none is intended to be exclusive of another or any other right or remedy which they may have at law or in equity. Except as otherwise expressly provided herein, no delay or omission in insisting upon the strict observance or performance of any provision of this Agreement, or in exercising any right or remedy, shall be construed as a waiver or relinquishment of such provision, nor shall it impair such right or remedy. Every right and remedy may be exercised from time to time and as often as deemed expedient.

ARTICLE VII

CONFIDENTIALITY

Section 7.1            Confidentiality. Each of the parties hereto acknowledges that during the Term of this Agreement such party may receive Confidential Information from

another party hereto. Each such party agrees to maintain the Confidential Information in the strictest of confidence and will not, except as otherwise contemplated herein, at any time, use, disseminate or disclose any Confidential Information to any person or entity other than those of its employees or representatives who have a “need to know”, who have been apprised of this restriction. Recipient shall be liable for any breach of this ARTICLE VIII by any of its employees or representatives and shall immediately notify Discloser in the event of any loss or disclosure of any Confidential Information of Discloser. Upon termination of this Agreement, Recipient will return to Discloser, or at Discloser’s request, destroy, all documents and records in its possession containing the Confidential Information of Discloser. Confidential Information shall not include information that: (i) is already known to Recipient without restriction on use or disclosure prior to receipt of such information from Discloser; (ii) is or becomes part of the public domain other than by breach of this Agreement by, or other wrongful act of, Recipient; (iii) is developed by Recipient independently of and without reference to any Confidential Information; (iv) is received by Recipient from a third party who is not under any obligation to Discloser to maintain the confidentiality of such information; or (v) is required to be disclosed by applicable law, statute, rule, regulation, subpoena, court order or legal process; provided that the Recipient shall promptly inform the Discloser of any such requirement and cooperate with any attempt by the Discloser to obtain a protective order or other similar treatment. It shall be the obligation of Recipient to prove that such an exception to the definition of Confidential Information exists.

**ARTICLE VIII**  
**GUARANTEE**

Section 8.1            **Guarantee.** The Guarantor hereby unconditionally and irrevocably guarantees the performance of all the obligations of the Servicer set forth in this Agreement (the “Guarantee”). This Guarantee shall be a continuing and irrevocable guarantee of payment of all amounts due and performance of all obligations of IHOP, Inc. hereunder, and the Guarantor shall remain liable on its obligations hereunder until the payment in full of all amounts due hereunder; provided, that, the Guarantee shall not apply to any obligations of a Successor Servicer hereunder that is not an Affiliate of the Servicer. The Guarantor hereby represents that it has all requisite corporate power and authority to undertake its obligations set forth in this Section 8.1 and to guarantee the full and prompt payment of any amounts due hereunder.

Section 8.2            **Liability of Guarantor Absolute.** The Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance that constitutes a legal or equitable discharge of a guarantor or surety. In furtherance of the foregoing and without limiting the generality thereof, the Guarantor agrees as follows: (a) the obligations of the Guarantor hereunder are independent of the obligations of the Servicer hereunder or under the other Transaction Documents; (b) the obligations of the Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason, including without limitation, the occurrence of any of the following, whether or not the Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or

remedy (whether arising at law, in equity or otherwise) with respect to any failure of the Servicer hereunder or under any of the other Transaction Documents; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from any of the terms or provisions (including, without limitation, provisions relating to events of default) of the Servicing Agreement, any of the other Transaction Documents or any of the Serviced Documents, the Franchise Documents or the Franchise Arrangements; (iii) the Servicer's consent to the addition, change, reorganization or termination of any of the Securitization Entities or to any amendment to the documents governing the formation or organization and operation of the Securitization Entities; (iv) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of the Guarantor as an obligor in respect of the Servicer's obligations under the Servicing Agreement.

Section 8.3      Waivers by the Guarantor. The Guarantor agrees not to assert, and hereby waives, all rights (whether by counterclaim, set-off or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be used by the Guarantor to avoid performance hereunder, including but not limited to: (a) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Servicer including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of this Agreement or by cessation of liability of the Servicer for any cause other than the full performance of all obligations of the Servicer set forth in this Agreement and payment in full of all amounts due hereunder; (b) any defense based on the Servicer's errors or omissions in the performance of its obligations or payment of amounts due under the Servicing Agreement or under the other Transaction Documents; (c) any defenses or benefits that may be derived from or afforded by law that would limit the liability of or exonerate the Guarantor, (d) any legal or equitable discharge of the Guarantor's obligations hereunder; (e) the benefit of any statute of limitations affecting the Guarantor's liability hereunder or the enforcement hereof; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance of this Guarantee, notices of default under the Servicing Agreement, any of the other Transaction Documents, the Serviced Documents or the Franchise Arrangements; (g) any rights to set-offs, recoupments and counterclaims.

Section 8.4      Representations and Warranties of the Guarantor. The Guarantor represents and warrants as of the date hereof as follows:

- (a)      Organization and Good Standing. The Guarantor (i) is a corporation, duly formed and organized, validly existing and in good standing under the laws of the State of Delaware, (ii) is duly qualified to do business as a foreign corporation and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations hereunder make such qualification necessary and (iii) has the power and authority to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted and to perform its obligations under this Agreement and any other Transaction Document to which it is a party or in connection with which it acts as Guarantor.
- (b)      Power and Authority; No Conflicts. The execution and delivery by the Guarantor of this Agreement and any other Transaction Document to which it is a party and its

performance of, and compliance with, the terms hereof and any other Transaction Document to which it is a party or in connection with which it acts as Guarantor are within the power of the Guarantor and have been duly authorized by all necessary corporate action on the part of the Guarantor. Neither the execution and delivery of this Agreement, nor the consummation of the transactions herein contemplated to be consummated by the Guarantor, nor compliance with the provisions hereof, will conflict with or result in a breach of, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a breach or default) under, any of the provisions of any law, governmental rule, regulation, judgment, decree or order binding on the Guarantor or its properties, or the charter or bylaws or other organizational documents and agreements of the Guarantor, or any of the provisions of any indenture, mortgage, lease, contract or other instrument to which the Guarantor is a party or by which it or its property is bound or result in the creation or imposition of any lien, charge or encumbrance upon any of its property pursuant to the terms of any such indenture, mortgage, leases, contract or other instrument.

(c) Consents. The Guarantor is not required to obtain the consent of any other party or the consent, license, approval or authorization of, or registration or declaration with, any Governmental Authority in connection with the execution, delivery or performance by the Guarantor of this Agreement and any other Transaction Document to which it is a party or in connection with which it acts as Guarantor, or the validity or enforceability of this Agreement and any other Transaction Document to which it is a party or in connection with which it acts as Guarantor against the Guarantor.

(d) Due Execution and Delivery. This Agreement and any other Transaction Document to which it is a party or in connection with which it acts as Guarantor has been duly executed and delivered by the Guarantor and constitutes a legal, valid and binding instrument enforceable against the Guarantor in accordance with its terms (subject to applicable insolvency laws and to general principles of equity).

(e) Due Qualification. The Guarantor has obtained or made all material licenses, registrations, consents, approvals, waivers and notifications of creditors, lessors and other Persons, in each case, in connection with the execution and delivery of this Agreement and any other Transaction Document to which it is a party or in connection with which it acts as Guarantor by the Guarantor, and the consummation by the Guarantor of all the transactions herein contemplated to be consummated by the Guarantor and the performance of its obligations hereunder and under any other Transaction Document to which it is a party or in connection with which it acts as Guarantor.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1 Termination of Agreement. The respective duties and obligations of the Servicer and the Securitization Entities created by this Agreement shall commence on the date hereof and shall, unless earlier terminated pursuant to Section 6.1(b) terminate upon the latest to occur of (x) the final payment or other liquidation of the last outstanding Serviced Asset included in the Collateral and (y) the satisfaction and discharge of the Indenture pursuant to Article Eleven of the Indenture (the “Term”). Upon termination of this Agreement pursuant to

this Section 9.1, the Servicer shall pay over to the applicable Securitization Entity or any other Person entitled thereto all proceeds of the Serviced Assets held by the Servicer.

Section 9.2            Survival. The provisions of Section 2.1(c) and (d), 2.7, 2.8, 4.3(g), 4.4(c), 5.1, ARTICLE VI, ARTICLE VII, and this Section 9.2, Section 9.5 and Section 9.9 shall survive termination of this Agreement.

Section 9.3            Amendment. (a) This Agreement may only be amended from time to time in writing, upon the written consent of each Series Controlling Party, by the Securitization Entities party hereto, the Servicer and the Indenture Trustee.

(b)            Promptly after the execution of any amendment, the Servicer shall send to the Indenture Trustee, each Insurer and each Rating Agency a conformed copy of such amendment, but the failure to do so will not impair or affect its validity.

(c)            Any amendment or modification effected contrary to the provisions of this Section 9.3 shall be null and void.

(d)            In executing and delivering any amendment or modification to this Agreement, the Indenture Trustee shall be entitled to an opinion of counsel stating that: (i) such amendment is authorized pursuant to this Agreement and complies therewith; (ii) such amendment shall not adversely affect the interests of the Secured Parties in any material respect; and (iii) all conditions precedent to the execution, delivery and performance of such amendment shall have been satisfied in full. The Indenture Trustee may, but shall have no obligation to, execute and deliver any amendment or modification which would affect its duties, powers, rights, immunities or indemnities hereunder.

Section 9.4            Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 9.5            Notices. All notices, requests or other communications desired or required to be given under this Agreement shall be in writing and shall be sent by (a) certified or registered mail, return receipt requested, postage prepaid, (b) national prepaid overnight delivery service, (c) telecopy or other facsimile transmission (following with hard copies to be sent by national prepaid overnight delivery service) or (d) personal delivery with receipt acknowledged in writing, to the address set forth in the Indenture. Any party hereto may change its address for notices hereunder by giving notice of such change to the other parties hereto, with a copy to each Series Controlling Party that is an Insurer. Any change of address of a Noteholder shown on a Note Register shall, after the date of such change, be effective to change the address for such Noteholder hereunder. All notices and demands shall be deemed to have been given either at the time of the delivery thereof to any officer or manager of the Person entitled to receive such notices and demands at the address of such Person for notices hereunder, or on the third day after the mailing thereof to such address, as the case may be.

Section 9.6            Severability of Provisions. If one or more of the provisions of this Agreement shall be for any reason whatever held invalid or unenforceable, such provisions shall

be deemed severable from the remaining covenants, agreements and provisions of this Agreement and such invalidity or unenforceability shall in no way affect the validity or enforceability of such remaining provisions, or the rights of any parties hereto. To the extent permitted by law, the parties hereto waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect.

Section 9.7            Delivery Dates. If the due date of any notice, certificate or report required to be delivered by the Servicer hereunder falls on a day that is not a Business Day, the due date for such notice, certificate or report shall be automatically extended to the next succeeding day that is a Business Day.

Section 9.8            Limited Recourse. The obligations of the Issuer under this Agreement are solely the limited liability company obligations of the Issuer. Each of the Servicer and the Indenture Trustee agrees that the Issuer shall be liable for any claims that it may have against the Issuer only to the extent that funds are available to pay such claims under Section 11.1 of the Indenture and that, to the extent that any such claims remain unpaid after the application of such funds in accordance with the Indenture, such claims shall be extinguished. The terms of this Section 9.8 shall survive the termination of this Agreement.

Section 9.9            Binding Effect; Assignment; Third Party Beneficiaries The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. Any assignment of this Agreement without the written consent of each Series Controlling Party shall be null and void. Each Insurer shall be an express third party beneficiary of this Agreement, entitled to enforce the provisions hereof as if a party hereto. Except as provided in the this Section 9.9, nothing in this Agreement expressed or implied, shall be construed to give any Person other than the parties hereto and the parties indicated in the preceding sentence any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, agreements, representations or provisions contained herein.

Section 9.10           Article and Section Headings. The Article and Section headings herein are for convenience of reference only, and shall not limit or otherwise affect the meaning hereof.

Section 9.11           Concerning the Indenture Trustee. In acting under this Agreement, the Indenture Trustee shall be afforded the rights, privileges, immunities and indemnities set forth in the Indenture as if fully set forth herein.

Section 9.12           Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.13           Entire Agreement. This Agreement and the other Transaction Documents constitute the entire contract between the parties related to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Transaction Documents.

Section 9.14      Jurisdiction; Consent to Service of Process. (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Transaction Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b)      Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Transaction Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c)      Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.5. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.15      Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER TRANSACTION DOCUMENTS 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 PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY 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 TRANSACTION DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 9.15.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Servicing Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

INTERNATIONAL HOUSE OF  
PANCAKES, INC., as Servicer

By: /s/ THOMAS G. CONFORTI  
Name: Thomas G. Conforti  
Title: Chief Financial Officer

IHOP IP, LLC

By: /s/ THOMAS G. CONFORTI  
Name: Thomas G. Conforti  
Title: Vice President

IHOP FRANCHISING, LLC

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

IHOP PROPERTY LEASING, LLC

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

IHOP PROPERTIES, LLC

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President



IHOP REAL ESTATE, LLC

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

IHOP CORP., as Guarantor

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

Wells Fargo Bank, National Association, as  
Indenture Trustee

By: /s/ BENJAMIN J. KRUEGER  
Name: Benjamin J. Krueger  
Title: Vice President

EXHIBIT A

MANAGEMENT ASSERTION

Re: Annual Accountant’s Report

Reference is made to the Servicing Agreement, dated as of March 16, 2007 (the “Servicing Agreement”) among IHOP Franchising, LLC, IHOP IP, LLC, IHOP Property Leasing, LLC, IHOP Properties, LLC, IHOP Real Estate, LLC, International House of Pancakes, Inc. (the “Servicer”), IHOP Corp. and Wells Fargo Bank, National Association. Capitalized terms otherwise not defined herein shall have the meanings set forth in the Servicing Agreement.

Pursuant to Section 3.3 of the Servicing Agreement, I, [NAME], the [TITLE] of International House of Pancakes, Inc., hereby certify that:

- 1. I have reviewed the Weekly Servicing Reports and Monthly Servicing Reports prepared and delivered pursuant to the Servicing Agreement for the period beginning on [ ] and ending on [ ];
- 2. To the best of my knowledge, based on such review, the information in each such report, taken as a whole, is true and correct in all material respects; and
- 3. I am responsible for reviewing the activities performed by the Servicer under the Servicing Agreement and based upon my knowledge, and except as disclosed in any Weekly Servicing Report or Monthly Servicing Report, the Servicer has fulfilled its obligations under the Servicing Agreement.

By: \_\_\_\_\_  
Name:  
Title  
Date:

EXHIBIT B

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that IHOP IP, LLC, a Delaware limited liability company (the “IP Company”), hereby appoints INTERNATIONAL HOUSE OF PANCAKES, INC., a Delaware corporation (“IHOP Inc.”), and any and all officers thereof as its true and lawful attorney in fact, with full power of substitution, in connection with the IP Management Services described below being performed with respect to the IP Assets (as such term is defined in the Servicing Agreement, dated as of the date hereof, among the IP Company, IHOP FRANCHISING, LLC, IHOP Inc., IHOP Property Leasing, LLC, IHOP Properties, LLC, IHOP Real Estate, LLC, IHOP Corp. and Wells Fargo Bank, National Association, as indenture trustee (the “Servicing Agreement”), with full irrevocable power and authority in the place of the IP Company and in the name of the IP Company or in its own name as agent of the IP Company, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the foregoing, subject to the Servicing Agreement, including, without limitation, the full power to:

- (i) sign its name upon all filings and to do all things necessary to apply for, prosecute, register, and maintain the Trademark Assets with the United States Patent and Trademark Office (the “PTO”), any state trademark registry and/or any applicable foreign intellectual property office;
- (ii) sign its name upon all filings and to do all things necessary to apply for, prosecute and maintain patents included in the IP Assets with the PTO and with any applicable foreign intellectual property office;
- (iii) sign its name upon all filings and to do all things necessary to apply for, prosecute, register, maintain and renew the copyrights and any other Intellectual Property included in the IP Assets with the United States Copyright Office and with any applicable foreign intellectual property office;
- (iv) sign its name upon all filings and to do all things necessary to maintain, register and renew domain names included in the IP Assets;
- (v) perform such functions and duties, and prepare and file such documents, as are required under the Indenture (as defined in the Servicing Agreement) to be performed, prepared and/or filed by the IP Company, including: (i) executing and recording such financing statements (including continuation statements) or amendments thereof or supplements thereto or other instruments as the Indenture Trustee and the Co-Issuer may from time to time reasonably request in order to perfect and maintain the security interests in the IP Assets granted by the IP Company to the Indenture Trustee (as defined in the Servicing Agreement) under the Transaction Documents (as defined in the Servicing Agreement) in accordance with the UCC (as defined in the Servicing Agreement); and (ii) executing grants of security interests or any similar instruments required under the Transaction Documents to evidence such security interests in the IP Assets and recording such grants or other instruments with the relevant authority

including the U.S. Patent and Trademark Office, the U.S. Copyright Office or any applicable foreign intellectual property office;

(vi) take such actions on behalf of IP Company as Issuer or Servicer may reasonably request that are expressly required by the terms, provisions and purposes of the IP License Agreement; or cause the preparation by other appropriate persons, of all documents, certificates and other filings as the IP Company shall be required to prepare and/or file under the terms of the IP License Agreement; and

(vii) pay or arrange for payment or discharge taxes and liens levied or placed on or threatened against the IP Assets.

IHOP IP, LLC will provide all requested cooperation and assistance to IHOP Inc. in furtherance of IHOP Inc.’s need or desire to accomplish the foregoing. This power of attorney is coupled with an interest. Capitalized terms used herein, and not defined herein shall have the meanings applicable to such terms in the Servicing Agreement.

THIS POWER OF ATTORNEY IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO POWERS OF ATTORNEY MADE AND TO BE EXERCISED WHOLLY WITHIN SUCH STATE.

Dated: This [•], 2007

IHOP IP, LLC

By: \_\_\_\_\_  
Name:  
Title:

STATE OF NEW YORK )

)

COUNTY OF NEW YORK ) ss.:

On the [•], 2007, before me the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

EXHIBIT C

FORM OF MONTHLY NOTEHOLDERS’ STATEMENT

[DATE]

Series 20[ ]-[ ] Notes  
Monthly Collection Period: [MM/DD/YY] — [MM/DD/YY]  
Payment Date: [MM/DD/YY]

Reference is made to the Base Indenture, dated as of March 16, 2007, among IHOP Property Leasing, LLC, IHOP IP, LLC and Wells Fargo Bank, National Association (as amended, supplemented and otherwise modified from time to time, the “Indenture”) and the Servicing Agreement, dated as of March 16, 2007, among IHOP Franchising, LLC, IHOP IP, LLC, IHOP Property Leasing, LLC, IHOP Properties, LLC, IHOP Real Estate, LLC, International House of Pancakes, Inc., IHOP Corp., and Wells Fargo Bank, National Association (the “Servicing Agreement”). Capitalized terms otherwise not defined herein shall have the meaning assigned to them in the Indenture or the Servicing Agreement.

This Monthly Noteholders’ Statement is delivered pursuant to Section 12.1(c) of the Indenture and Section 3.1(b) of the Servicing Agreement. The undersigned, on behalf of the Servicer and the Issuer, hereby certifies as follows:

- (A) To the knowledge of the Servicer, the historical information contained herein is true and correct in all material respects;
- (B) The forward looking information contained herein has been prepared in good faith based on information in the Servicer’s possession and/or reasonably available to the Servicer as of the date hereof; and
- (C) Except as otherwise set forth herein, the Servicer has performed in all material respects its obligations under each Transaction Document since the date of the previously delivered Monthly Noteholders’ Statement.

By: \_\_\_\_\_  
Name:  
Title:

[ATTACH MONTHLY SERVICER’S REPORT]

EXHIBIT D

FORM OF MONTHLY SERVICER’S CERTIFICATE & REPORT

[DATE]

Series 20[ ]-[ ] Notes  
Monthly Collection Period: [MM/DD/YY] — [MM/DD/YY]  
Payment Date: [MM/DD/YY]

Reference is made to the Base Indenture, dated as of March 16, 2007, among IHOP Property Leasing, LLC, IHOP IP, LLC and Wells Fargo Bank, National Association (as amended, supplemented and otherwise modified from time to time, the “Indenture”) and the Servicing Agreement, dated as of March 16, 2007, among IHOP Franchising, LLC, IHOP IP, LLC, IHOP Property Leasing, LLC, IHOP Properties, LLC, IHOP Real Estate, LLC, International House of Pancakes, Inc., IHOP Corp., and Wells Fargo Bank, National Association (the “Servicing Agreement”). Capitalized terms otherwise not defined herein shall have the meaning assigned to them in the Indenture or the Servicing Agreement.

This Monthly Servicer’s Certificate is delivered pursuant to Section 12.1(b) of the Indenture and Section 3.1(c) of the Servicing Agreement. The undersigned, on behalf of the Servicer, hereby certifies as follows:

(A) Attached is a true and correct copy of the Monthly Servicer’s Report; and

(B) Except as otherwise previously provided in any other notices, no Servicer Termination Event, Event of Default or Default has occurred or is continuing.

By: \_\_\_\_\_  
Name:  
Title:

[ATTACH MONTHLY SERVICER’S REPORT]

EXHIBIT E

FORM OF WEEKLY SERVICER'S REPORT

E-1

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SCHEDULE A

COMPETITIVE BUSINESS

Any transaction involving a business identified to the Aggregate Controlling Party on the Closing Date by separate letter.

SCA-1

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SCHEDULE 2.1(f)

FRANCHISEE INSURANCE NOT PROVIDING AFFILIATE COVERAGE

None
SC2.1(f)-1

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SCHEDULE 2.1(g)

SERVICER INSURANCE

SC2.1(g)-1

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SCHEDULE 2.10

SUBSERVICING ARRANGEMENTS

Agreement dated as of December 15, 2005 by and between b-50.com, LLC and International House of Pancakes, Inc., relating to the preparation and delivery of management reports by b-50.com, LLC based on data provided by IHOP Inc. and point-of-sale information with respect to the Franchisees.

Agreement dated as of January 1, 2007 by and between Shop'n Chek, Inc. and International House of Pancakes, Inc., relating to the provision of services relating to the Mystery Shop Program.

SC2.10-1

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SCHEDULE 2.10

COLLECTIONS PRACTICE

SC4.11-1

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SCHEDULE 4.15

DEBT

	(in thousands)
Senior Notes due November 2008, payable in in equal annual installments commencing November 2000, at a fixed interest rate of 7.42%	7,778
Senior Notes Series A due October 2012, at a fixed interest rate of 5.88%	5,000
Senior Notes Series A due October 2012, at a fixed interest rate of 5.20%	81,428
Leasehold mortgage term loans and other	19,633
Capital Lease Obligations	174,635*
Total debt	\$ 288,474**

CONTINGENT LIABILITIES

Store #0911 (El Toro, CA)	100,000
Capozzoli vs. IHOP	45,000
Total contingent liability	\$145,000

\* Capital lease obligations will not be repaid and will remain outstanding after the Closing Date.

\*\* Proceeds from the issuance of Notes will be applied to repay in full the Debt (other than capital lease obligations) on the Closing Date and all liens and covenants relating thereto will be cancelled as of the Closing Date.

International House of Pancakes, Inc.  
450 North Brand Blvd.  
Glendale, CA 91203-2306

March 16, 2007

IHOP Holdings, LLC  
c/o International House of Pancakes, Inc.,  
as servicer  
450 North Brand Blvd.  
Glendale, CA 91203-2306

Re: Parent Asset Sale Agreement

Dear Sir or Madam:

The purpose of this letter agreement (this “*Terms Supplement*”) is to set forth the parties’ agreement and intention to purchase and sell certain assets. Reference is made to the Standard Terms of Asset Sale Agreements (the “*Standard Terms*”) attached hereto as **Annex A**. This Terms Supplement is governed by the Standard Terms, and the parties hereto agree to be bound by all of the provisions of the Standard Terms, except as expressly modified by this Terms Supplement. All of the provisions of the Standard Terms (including the Schedules and Appendices thereto) are hereby incorporated by reference into this Terms Supplement. This letter agreement constitutes a “Terms Supplement” as referred to in the Standard Terms. The Standard Terms, as modified and supplemented by this Terms Supplement, is referred to as this “*Parent Asset Sale Agreement*” or this “*Agreement*.”

Capitalized terms used but not defined in this Terms Supplement are defined in (or incorporated by reference into) the Standard Terms (including **Appendix A**, **Appendix B** or **Appendix C** to the Standard Terms). **Appendix A** to the Standard Terms also contains rules as to usage applicable to this Terms Supplement. In the event of any inconsistency between this Terms Supplement (other than **Annex A** hereto) and the Standard Terms (including the Appendices thereto), this Terms Supplement shall govern.

The terms of the Agreement are as follows:

1. General Terms:

Seller:	International House of Pancakes, Inc.
Purchaser:	IHOP Holdings, LLC.
Guarantee:	A Guarantee of IHOP, Corp. in substantially the form set forth as <b>Annex B</b> hereto.
IP Assets:	Applicable.



2. Initial Sales:

Initial Sales:	Applicable.
Additional Seller Conditions:	<p>(1) The Guarantee has been executed and delivered by the Guarantor;</p> <p>(2) All of the representations and warranties of the Guarantor as set forth in the Guarantee shall be true and correct in all material respects as of the Closing Date; and</p> <p>(3)The Seller shall deliver to the Purchaser the Real Property Deeds relating to the Existing Owned Real Property for filing in the applicable jurisdictions on or prior to the Closing Date.</p>
Sold Assets:	<p>(i) All Existing Franchise Agreements, (ii) all Existing Area License Agreements, (iii) all Existing Development Agreements, (iv) all Existing Franchisee Notes, (v) all Existing Equipment Leases, the residual interests, if any, in the related equipment and the security interests in such equipment, (vi) all IP Assets and the right to receive any After-Acquired IP Assets, (vii) the right to bring an action at law or in equity for any infringement, dilution or violation IP Assets occurring prior to, on or after the Closing Date and to collect all damages, settlement and proceeds relating thereto, (viii) all Existing Product Sourcing Agreements, (ix) all Existing Owned Real Property, Existing Franchisee Leases and Existing Intercompany Real Property Leases, (x) all of the IHOP Property Leasing Interests, (xi) all Books and Records relating to the property and assets described in clauses (i) through (x) of this definition and (xii) all Related Rights with respect to the foregoing; <u>provided, however</u>, that Sold Assets do not include any Transfer Excluded Assets.</p>
Cash Amount:	As set forth in the books and records of the applicable Companies.



Seller Secured Amount Interest Rate: 10% per annum.

3. Closing Date Transfer of LLC Interests:

Transfer of LLC Interests: Applicable.

Applicable LLC Agreement(s): IHOP Property Leasing LLC Agreement.

Applicable Interests: The IHOP Property Leasing Interests.

4. Subsequent Sales:

Subsequent Sales: Applicable.

Notice of Additional Sale: A notice by the Seller to the Purchaser in substantially the form set forth as **Annex C** to this Terms Supplement. The Seller also shall provide copies of each Notice of Additional Sale to IHOP Holdings, IHOP Properties, IHOP Property Leasing, IHOP Property Leasing II, IHOP Real Estate and the Issuer.

Additional Transfer Date: Any Business Day occurring after the Closing Date that the Seller has designated (pursuant to a Notice of Additional Sale delivered on or prior to such date) as a date as of which the Type 3 Contract Rights and Type 3 Real Estate Assets relating to one or more Converted Type 3 IHOP Restaurants will be sold pursuant to this Agreement.

Subsequent Assignment: An Assignment and Assumption in substantially the form set forth as **Annex B** to this Terms Supplement.

Additional Sold Assets: With respect to any Additional Transfer Date, (i) all Type 3 Contract Rights and Type 3 Real Estate Assets relating to the Converted Type 3 IHOP Restaurants identified in the related Notice of Additional Sale, (ii) all Books and Records relating to the property and assets described in clause (i) of this definition and (iii) all Related Rights with respect to the foregoing; provided, however, that Additional Sold Assets do not include any Transfer Excluded Assets.

Additional Conditions Precedent to Subsequent Sales: All of the representations and warranties of the Guarantor as set forth in the Guarantee shall be true and correct in all material respects as of the Closing Date.

**5. Additional Provisions:**

- a) **IP Assignment and Grant of Security Interest; Notice.** On or prior to the Closing Date, the Seller shall execute and deliver an assignment and security agreement, substantially in the form of **Annex D** to this Terms Supplement (the “**IP Assignment and Security Agreement**”), that has been duly executed, or other similar instruments or documents, as may be reasonably necessary or, in the Purchaser’s opinion, desirable to evidence, perfect, protect and record in the appropriate Intellectual Property registry office, the Purchaser’s ownership interest and/or security interest granted under this Agreement in all IP Assets in the United States (together with the IP Assignment and Security Agreement, the “**IP Filings**”). Upon the Purchaser’s request or upon the Aggregate Controlling Party’s request, the Seller shall execute and deliver such other instruments or documents as may be necessary or, in the Purchaser’s reasonable opinion or in the Aggregate Controlling Party’s reasonable opinion, desirable under the laws of any jurisdiction outside the United States in which registrations for IP Assets owned by the Seller are issued or pending, to evidence, perfect, record, or protect the Purchaser’s ownership interest granted under this Agreement in the IP Assets (the “**Foreign IP Filings**”).
- b) **Obligations Regarding Type 3 Assets.** The Seller shall use commercially reasonable efforts to cause, as soon as reasonably practicable, the Type 3 Contract Rights and the Type 3 Real Estate Assets to satisfy the conditions for sale set forth in this Agreement, and to be sold to the Purchaser on a Subsequent Transfer Date pursuant to this Agreement or other applicable Transaction Document. The Seller may, in taking actions to comply with its obligations under this **Part 5.b**, and in determining the timing of such actions, take into account any factors that it reasonably considers relevant with respect to its own businesses and assets, and the businesses and assets of the Securitization Entities.
- c) **Representations and Warranties of the Seller as to Certain Related Entities as of the Closing Date.** The Seller hereby makes the following representations and warranties as of the Closing Date, on which the Purchaser is relying in acquiring the Sold Assets.
- i. **Legal Capacity to Enter into Leases.** Each of IHOP Properties and IHOP Realty had, at the relevant time, the legal capacity to enter into and deliver each Existing Type 1 Property Lease and the Existing Type 1 Franchisee Sublease to which it was or is a party and all such leases are in full force and effect.
  - ii. **Organization, Etc.** Each of the Securitization Entities is (and, immediately prior to the Preliminary Reorganization Transaction, each of the Securitization Entities was) duly formed, incorporated and/or organized, as applicable, validly existing and in good standing under the laws of its state of its organization, and has (or had at all relevant times as applicable) power and authority to own its properties and to conduct its business as such properties are (or were, as applicable) currently owned and such business is (or was, as applicable) presently conducted.
  - iii. **No Event of Bankruptcy.** No Event of Bankruptcy has occurred or, to the knowledge of the Seller, is threatened with respect to any Securitization Entity.
  - iv. **Solvency.** The Seller, IHOP Inc. and each Securitization Entity is, and after giving effect to the transactions contemplated to occur on the Closing Date will be, solvent and able to pay its debts as they come due, and has and will have adequate capital to carry out its business as now conducted or proposed to be conducted.
  - v. **Entitlement to Dividends.** The Seller is entitled to receive dividends and other distributions as and to the extent provided under the organizational documents of IHOP Property Leasing

(subject to Applicable Law) payable from time to time and such right and entitlement is not subject to any prior Lien (other than Permitted Liens).

- vi. **LLC Interests.** Immediately prior to the sale of the Sold Assets to the Purchaser hereunder, all of the Limited Liability Company Interests (A) had been duly and validly issued, fully paid and, if applicable, non assessable, (B) were not subject to any options, warrants, convertible securities, or voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer thereof and (C) constituted all of the authorized and outstanding limited liability company interests of each Securitization Entity and were owned of record and beneficially by the Seller, the Purchaser or the Issuer, as the case may be, free and clear of all Liens (other than Permitted Liens).

d) **Representations and Warranties of the Seller as to Its Assets and Certain Assets of Related Entities as of the Closing Date.** The Seller hereby makes the following representations and warranties as of the Closing Date, immediately after giving effect to the Preliminary Reorganization Transactions, on which the Purchaser is relying in acquiring the Sold Assets. Such representations and warranties shall survive the sale, transfer, and assignment of the Sold Assets by the Seller to Purchaser and any subsequent transferee.

- i. The Existing Franchise Agreements, taken together with the Type 3 Franchise Agreements, constitute all of the Franchise Agreements to which the Seller or any Affiliate thereof is a party.
- ii. The Existing Area License Agreements, taken together with the Type 3 Area License Agreements, constitute all of the Area License Agreements to which the Seller or any Affiliate thereof is a party.
- iii. The Existing Single Store Development Agreements constitute all of the Single Store Development Agreements to which the Seller or any Affiliate thereof is a party.
- iv. The Existing Multi-Store Development Agreements constitute all of the Multi-Store Development Agreements to which the Seller or any Affiliate thereof is a party.
- v. The Existing Product Sourcing Agreements constitute all of the Product Sourcing Agreements to which the Seller or any Affiliate thereof is a party.
- vi. The Existing Franchisee Notes, when taken together with the Type 3 Franchisee Notes, constitute all of the Franchisee Notes to which the Seller or any Affiliate thereof is a party.
- vii. The Existing Franchisee Leases, when taken together with the Type 3 Franchisee Leases, constitute all of the Franchisee Leases to which the Seller or any Affiliate thereof is a party.
- viii. The Existing Equipment Leases, when taken together with the Type 3 Franchisee Equipment Leases, constitute all of the Equipment Leases to which the Seller or any Affiliate thereof is a party.
- ix. The IP Assets include all Intellectual Property of any kind throughout the world, owned, used or held for use by the Seller or any Affiliate thereof, which is or is used in connection with the IHOP Brand or with products and services offered under the IHOP Brand.
- x. The Existing Owned Real Property, when taken together with the Type 3 Owned Real Property, constitutes all of the real property owned by the Seller on which a Restaurant is located or which otherwise services a Restaurant (i.e., a parking lot).

- xi. The Seller is the lessor under all of the Existing Franchisee Leases.
- xii. Immediately following the Preliminary Reorganization Transactions, IHOP Property Leasing, LLC was (i) the lessee under each Existing Type 1 Property Lease and (ii) the sub-lessor under each Existing Type 1 Franchisee Sublease.
- xiii. Immediately prior to the sale of the Sold Assets to the Purchaser hereunder, and the other transactions contemplated to occur in connection with the Restructuring, in each case on the Closing Date, (A) the IHOP Property Leasing Interests constituted all of the authorized and outstanding equity interests of IHOP Property Leasing and were owned of record and beneficially by the Seller, free and clear of all Liens (other than Permitted Liens), (B) the IHOP Real Estate Interests constituted all of the authorized and outstanding limited liability company interests in IHOP Real Estate and were owned of record and beneficially by the Seller, free and clear of all Liens (other than Permitted Liens), and (C) the IHOP Properties Interests constituted all of the authorized and outstanding membership interests of IHOP Properties and were owned of record and beneficially by the Seller, free and clear of all Liens (other than Permitted Liens).

e) **Waiver of Right to Assert Claims.** IHOP, Inc. hereby agrees not to assert, and hereby waives, any claims asserting any continuing rights in the Sold Assets or Additional Sold Assets transferred from time to time under this Agreement, or in the property or assets sold, contributed or otherwise transferred under any of the other Asset Transfer Agreements (except to any such Sold Assets or Additional Sold Assets as may be re-assigned to it in connection with a breach of a representation, warranty or covenant hereunder or thereunder).

**6. Notices:**

For purposes of **Section 9.8** of the Standard Terms, the Notice Addresses of the parties are as follows:

**Purchaser:**

IHOP Holdings, LLC  
c/o International House of Pancakes, Inc.,  
as Servicer  
450 North Brand Blvd.  
Glendale, CA 91203-2306  
Attention: General Counsel

**Seller:**

International House of Pancakes, Inc.,  
as Servicer  
450 North Brand Blvd.  
Glendale, CA 91203-2306  
Attention: General Counsel

This Terms Supplement may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Yours sincerely,

**INTERNATIONAL HOUSE OF PANCAKES, INC.,**  
as Seller

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

The Purchaser, acting through its duly authorized signatory, hereby agrees to, accepts and confirms the terms of the foregoing as of the date first written above:

**IHOP HOLDINGS, LLC,**  
as Purchaser

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

Standard Terms of Asset Sale Agreements

(See Tab [ ])

Assignment and Assumption

Dated as of [ ], [ ]

For value received, in accordance with **Section 3.1** of the Standard Terms of Asset Sale Agreements (as, amended, supplemented or otherwise modified and in effect from time to time, the “**Standard Terms**”) attached as **Annex A** to the letter agreement, dated as of March 16, 2007 (the Standard Terms, as modified and supplemented by such letter agreement, and as otherwise amended, supplemented or otherwise modified and in effect from time to time, the “**Asset Sale Agreement**”), between International House of Pancakes, Inc. (the “**Assignor**”) and IHOP Holdings, LLC (the “**Assignee**”), as of the date of this Assignment and Assumption (the “**Additional Transfer Date**”), the Assignor does hereby sell, assign, transfer and otherwise convey unto the Assignee, and its successors and assigns, without recourse (except as set forth in **Section 6.4** of the Standard Terms), all right, title and interest of the Assignor, whether now owned or hereafter acquired, in, to or under the assets listed in clauses (i) through (viii) below (collectively, but subject to the exclusion set forth below, the “**Additional Sold Assets**”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Asset Sale Agreement.

- (i) the equipment leases identified on **Schedule A-1** hereto;
- (ii) the franchise agreements identified on **Schedule A-2** hereto;
- (iii) the franchisee notes identified on **Schedule A-3** hereto;
- (iv) the area license agreements identified on **Schedule A-4** hereto;
- (v) the real property identified on **Schedule A-5** hereto;
- (vi) the franchisee leases identified on **Schedule A-6** hereto;
- (vii) the Books and Records relating to the property and assets described in clauses (i) through (vi) above; and
- (viii) all Related Rights with respect to the foregoing;

but excluding, however, any Transfer Excluded Assets as may be included in the foregoing.

The Assignee hereby assumes from the Assignor and agrees to perform all obligations (then existing or thereafter arising) of the Assignor under all contracts, agreements and other obligations included as part of, or otherwise relating to, the Additional Sold Assets.

If a Recharacterization Event occurs, the Assignor shall be deemed to have Granted, and the Assignor does hereby Grant, to the Assignee a security interest in, to and under all Additional Sold Assets (as determined without giving effect to any exclusion of Transfer Excluded Assets from the definition thereof), but excluding, however, any Pledge Excluded Assets, to secure the Assignor’s

obligation to pay the Seller Secured Amount to the Assignee upon the occurrence of a Recharacterization Event.

The Assignor agrees to pay to the Assignee an amount equal to the Seller Secured Amount (as defined in **Section 3.6** of the Standard Terms) with respect to such Additional Transfer Date, on demand, on or after any date on which a Recharacterization Event, if any, has occurred. If, after demand by the Assignee, the Assignor fails to pay to the Assignee an amount equal to such Seller Secured Amount, (i) the Assignee and any subsequent assignees or pledgees of the Additional Sold Assets or any portion thereof (including, without limitation, the Indenture Trustee, if applicable), in each case subject to the terms of the Indenture, will have all of the rights and remedies of a secured party under the UCC (including the rights of a secured party obtaining a lien under Section 9-608 of the UCC) and (ii) the Assignor will have all the rights of a debtor granting a lien under the UCC (including the rights of a debtor granting a lien under Section 9-623).

The **Schedule of Exceptions** to this Assignment and Assumption lists (i) each Non-Conforming IHOP Restaurant as to which any of the related Type 3 Contract Rights are included in the Additional Sold Assets, (ii) each IHOP Restaurant as to which any of the related Type 3 Contract Rights are included in the Additional Sold Assets that is a Delinquent Franchisee or (to the knowledge of the Assignor) the subject of a bankruptcy proceeding, in each case as determined as of the date hereof, and (iii) each real property included in the Additional Sold Assets (or which is subject to a lease or sublease included in the Additional Sold Assets) as to which any condemnation or similar proceeding has been commenced or, to the knowledge of the Assignor, threatened with respect to all or any material portion of such property or for the relocation of roadways providing access to such property that, in either case, was not considered in the acquisition of such property, in each case as determined as of the date hereof.

This Assignment and Assumption shall be construed in accordance with the laws of the State of New York and the obligations of the undersigned under this Assignment and Assumption shall be determined in accordance with such laws.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the undersigned has caused this Assignment and Assumption to be duly executed as of the day and year first set forth above.

**INTERNATIONAL HOUSE OF PANCAKES, INC.,**  
as Assignor

By: \_\_\_\_\_  
Name:  
Title:

Acknowledged and Agreed:

**IHOP HOLDINGS, LLC, as Assignee**

By: \_\_\_\_\_  
Name:  
Title:

Schedule A-1 to  
Subsequent Assignment

Equipment Leases

Schedule A-1 to Annex B

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Schedule A-2 to  
Subsequent Assignment

Franchise Agreements

Schedule A-2 to Annex B

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Schedule A-3 to  
Subsequent Assignment

Franchisee Notes

Schedule A-3 to Annex B

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Schedule A-4 to  
Subsequent Assignment

Area License Agreements

Schedule A-4 to Annex B

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Schedule A-5 to  
Subsequent Assignment

Owned Real Property

Schedule A-5 to Annex B

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Schedule A-6 to  
Subsequent Assignment

Franchisee Leases

Schedule A-6 to Annex B

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Schedule of Exceptions to  
Subsequent Assignment

- 1.       **Non-Conforming IHOP Restaurants**
- 2.       **Delinquent Franchisees and Franchisees Subject to Bankruptcy Proceedings**
- 3.       **Condemnation Proceedings**

Schedule of Exceptions to Annex B

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Notice of Additional Sale

This Notice of Additional Sale, dated as of [ ], 200[ ], is delivered to IHOP Holdings, LLC (the “**Purchaser**”) pursuant to the Asset Sale Agreement, dated as of March 16, 2007 (as amended, supplemented or otherwise modified and in effect from time to time, the “**Parent Asset Sale Agreement**”), between International House of Pancakes, Inc., as the seller (the “**Seller**”), and the Purchaser. The Parent Asset Sale Agreement incorporates the Standard Terms of Asset Sale Agreements (the “**Standard Terms**”) attached as **Annex A** thereto. Capitalized terms not otherwise defined herein shall have the meanings set forth in, or incorporated by reference into, the Parent Asset Sale Agreement (including the Standard Terms and the appendices thereto).

The Seller hereby gives notice to the Purchaser that the Seller has designated as “Converted Type 3 IHOP Restaurants” each of the IHOP Restaurants listed on **Schedule A-1** annexed hereto (with respect to the date hereof, the “**Relevant Converted Type 3 Restaurants**”), and, accordingly, has designated for sale by the Seller to the Purchaser all of the Seller’s right, title and interest in the assets identified on **Schedule A-2** through **Schedule A-7** annexed hereto, on [ ], 200[ ] (the “**Additional Transfer Date**”) pursuant to the Parent Asset Sale Agreement and pursuant to a Subsequent Assignment dated as of the Additional Transfer Date; provided, however, that such sale is subject to the satisfaction of the conditions set forth in **Section 4.2** and other terms and conditions of the Standard Terms.

Pursuant to **Section 3.4** of the Standard Terms, the Seller has determined the Additional Sold Asset Purchase Price to be \$[ ].

In addition, the Seller has identified the property leases, the franchisee subleases and the intercompany leases listed on **Schedule A-8** annexed hereto as additional assets that relate to the Relevant Converted Type 3 Restaurants, but which are not being sold pursuant to the Parent Asset Sale Agreement.

A copy of this Notice of Additional Sale also will be provided to IHOP Holdings, LLC, IHOP Properties, LLC, IHOP Property Leasing, LLC, IHOP Property Leasing II, LLC, IHOP Real Estate, LLC and IHOP Franchising, LLC.

IN WITNESS WHEREOF, the Seller has caused this Notice of Additional Sale to be duly executed and delivered by its duly authorized officer as of the date hereof.

INTERNATIONAL HOUSE OF PANCAKES, INC.

By: \_\_\_\_\_  
Name:  
Title:

Schedule A-1  
to Notice of Additional Sale

Relevant Converted Type 3 IHOP Restaurants

Schedule A-1 to Annex C

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Schedule A-2  
to Notice of Additional Sale

Equipment Leases

Schedule A-2 to Annex C

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Schedule A-3  
to Notice of Additional Sale

Franchise Agreements

Schedule A-3 to Annex C

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Schedule A-4  
to Notice of Additional Sale

Franchisee Notes

Schedule A-4 to Annex C

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Schedule A-5  
to Notice of Additional Sale

Area License Agreements

Schedule A-5 to Annex C

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Schedule A-6 to  
Notice of Additional Sale

Owned Real Property

Schedule A-6 to Annex C

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Schedule A-7 to  
Notice of Additional Sale

Franchisee Leases

Schedule A-7 to Annex C

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Schedule A-8 to  
Notice of Additional Sale

Property Leases, Franchisee Subleases  
and Intercompany Leases

Schedule A-8 to Annex C

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Form of IP Assignment and Security Agreement

(See Tab [ ])

## EXECUTION COPY

**GUARANTY**

THIS GUARANTY (this “Guaranty”) is made and entered into as of March 16, 2007, by IHOP CORP., a Delaware corporation (the “Guarantor”) in favor of IHOP HOLDINGS, LLC, a Delaware limited liability company (the “Beneficiary”). This Guaranty constitutes the entire and full agreement of the parties with respect to the subject matter hereof. Capitalized terms used but not defined herein are defined in (or incorporated by reference into) the Parent Asset Sale Agreement (as defined below), including the Standard Terms of Asset Sale Agreements attached as Annex A thereto (the “Standard Terms”) (and including Appendix A, Appendix B or Appendix C to such Standard Terms).

**PRELIMINARY STATEMENT**

International House of Pancakes, Inc., as seller (the “Seller”), and IHOP Holdings, LLC, as purchaser, have entered into the Asset Sale Agreement, dated as of March 16, 2007 (as may be amended, restated, supplemented or otherwise modified from time to time, the “Parent Asset Sale Agreement”).

NOW, THEREFORE, in consideration of the foregoing preliminary statement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, it is hereby agreed as follows:

**ARTICLE I**  
**GUARANTY**

Section 1.1      **Guarantee by IHOP Corp.** The Guarantor hereby unconditionally and irrevocably guarantees the obligations of Seller under the Parent Asset Sale Agreement. This Guarantee shall be a continuing and irrevocable guarantee of payment of all amounts due by the Seller under the Parent Asset Sale Agreement, and the Guarantor shall remain liable on its obligations hereunder until the payment in full of any amounts due thereunder. The Guarantor hereby represents that it has all requisite corporate power and authority to undertake its obligations set forth in this Section 1.1 and to guarantee the full and prompt payment of any amounts due by the Seller under the Parent Asset Sale Agreement.

Section 1.2      **Liability of Guarantor Absolute.** The Guarantor agrees that its obligations under this Guaranty are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance that constitutes a legal or equitable discharge of a guarantor or surety. In furtherance of the foregoing and without limiting the generality thereof, the Guarantor agrees as follows: (a) the obligations of the Guarantor hereunder are independent of the obligations of the Seller under the Parent Asset Sale Agreement or under the other Transaction Documents; (b) the obligations of the Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason, including without limitation, the occurrence of any of the following, whether or not the Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising at law, in equity or otherwise) with respect to any failure of the Seller under the Parent Asset Sale Agreement or under any of the other Transaction Documents; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from any of the terms or provisions (including, without limitation, provisions relating to events of default) of the Servicing Agreement, any of the other Transaction Documents or any of the Serviced Documents, the Franchise Documents or the Franchise Arrangements; (iii) the Seller’s consent to the

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addition, change, reorganization or termination of any of the Securitization Entities or to any amendment to the documents governing the formation or organization and operation of the Securitization Entities; (iv) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of the Guarantor as an obligor in respect of the Seller's obligations under the Parent Asset Sale Agreement.

Section 1.3            Waivers by the Guarantor. The Guarantor agrees not to assert, and hereby waives, all rights (whether by counterclaim, set-off or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be used by the Guarantor to avoid performance hereunder, including but not limited to: (a) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Seller including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Parent Asset Sale Agreement or by cessation of liability of the Seller for any cause other than the full performance of all obligations of the Seller set forth in the Parent Asset Sale Agreement and payment in full of all amounts due thereunder; (b) any defense based on the Seller's errors or omissions in the performance of its obligations or payment of amounts due under the Servicing Agreement or under the other Transaction Documents; (c) any defenses or benefits that may be derived from or afforded by law that would limit the liability of or exonerate the Guarantor, (d) any legal or equitable discharge of the Guarantor's obligations hereunder; (e) the benefit of any statute of limitations affecting the Guarantor's liability hereunder or the enforcement hereof; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance of this Guaranty, notices of default under any of the other Transaction Documents; and (g) any rights to set-offs, recoupments and counterclaims.

Section 1.4            Third-Party Beneficiary. Each Insurer shall constitute an express third-party beneficiary of this Guarantee.

**ARTICLE II**  
**REPRESENTATIONS AND WARRANTIES**

Guarantor makes the following representations and warranties to and in favor of the Beneficiary which shall be continuing representations and warranties so long as any obligations of the Seller guaranteed by the Guarantor hereunder shall remain outstanding and unsatisfied or could become due or unsatisfied:

Section 2.1            Organization and Good Standing. The Guarantor (i) is a corporation, duly formed and organized, validly existing and in good standing under the laws of the State of Delaware, (ii) is duly qualified to do business as a foreign corporation and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations hereunder make such qualification necessary and (iii) has the power and authority to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted and to perform its obligations under this Guaranty and any other Transaction Document to which it is a party or in connection with which it acts as guarantor.

Section 2.2            Power and Authority; No Conflicts. The execution and delivery by the Guarantor of this Guaranty and any other Transaction Document to which it is a party and its performance of, and compliance with, the terms hereof and any other Transaction Document to which it is a party or in connection with which it acts as guarantor are within the power of the Guarantor and have been duly authorized by all necessary corporate action on the part of the Guarantor. Neither the execution and

delivery of this Guaranty, nor the consummation of the transactions herein contemplated to be consummated by the Guarantor, nor compliance with the provisions hereof, will conflict with or result in a breach of, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a breach or default) under, any of the provisions of any law, governmental rule, regulation, judgment, decree or order binding on the Guarantor or its properties, or the charter or bylaws or other organizational documents and agreements of the Guarantor, or any of the provisions of any indenture, mortgage, lease, contract or other instrument to which the Guarantor is a party or by which it or its property is bound or result in the creation or imposition of any lien, charge or encumbrance upon any of its property pursuant to the terms of any such indenture, mortgage, leases, contract or other instrument.

Section 2.3            Consents. The Guarantor is not required to obtain the consent of any other party or the consent, license, approval or authorization of, or registration or declaration with, any Governmental Authority in connection with the execution, delivery or performance by the Guarantor of this Guaranty and any other Transaction Document to which it is a party or in connection with which it acts as guarantor, or the validity or enforceability of this Guaranty and any other Transaction Document to which it is a party or in connection with which it acts as guarantor against the Guarantor.

Section 2.4            Due Execution and Delivery. This Guaranty and any other Transaction Document to which it is a party or in connection with which it acts as guarantor has been duly executed and delivered by the Guarantor and constitutes a legal, valid and binding instrument enforceable against the Guarantor in accordance with its terms (subject to applicable insolvency laws and to general principles of equity).

Section 2.5            Due Qualification. The Guarantor has obtained or made all material licenses, registrations, consents, approvals, waivers and notifications of creditors, lessors and other Persons, in each case, in connection with the execution and delivery of this Guaranty and any other Transaction Document to which it is a party or in connection with which it acts as guarantor by the Guarantor, and the consummation by the Guarantor of all the transactions herein contemplated to be consummated by the Guarantor and the performance of its obligations hereunder and under any other Transaction Document to which it is a party or in connection with which it acts as guarantor.

**ARTICLE III**  
**WAIVER OF CERTAIN CLAIMS**

Section 3.1            The Guarantor agrees not to assert, and hereby waives, any claims asserting any continuing rights in any of the property or assets sold, contributed or otherwise transferred under the Parent Asset Sale Agreement, or under any of the other Asset Sale Agreements or Asset Contribution Agreements (each as defined in Appendix A to the Standard Terms).

Section 3.2            Business Operations. At all times while any Notes remain outstanding and/or the Servicing Agreement remains in effect, except as otherwise provided in this Guaranty and in the other Transaction Documents, the Guarantor shall not engage in any Competitive Business (as defined in the Servicing Agreement).

Section 3.3            Indebtedness. Neither the Guarantor nor any of its Affiliates (other than the Securitization Entities, as and to the extent permitted by the Transaction Documents) shall incur Debt (as defined in the Servicing Agreement) (including, but not limited to, guaranties or pledges of its property) other than (a) trade debt incurred in the ordinary course of business, (b) debt and contingent liabilities, in existence on the date hereof as set forth in Schedule 4.15 to the Servicing Agreement, (c)

additional debt for working capital or capital improvements, in all cases not in excess of \$25,000,000 in the aggregate outstanding at any time, and (d) debt incurred in connection with any indemnification obligations of the Guarantor.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this instrument to be executed this 16<sup>th</sup> day of March, 2007.

**IHOP CORP., as Guarantor**

By: /s/ THOMAS G. CONFORTI  
Name: Thomas G. Conforti  
Title: Chief Financial Officer

[SIGNATURE PAGE TO GUARANTY]

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IHOP FRANCHISING, LLC  
IHOP IP, LLC

Series 2007-1 Fixed Rate Term Notes

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*Purchase Agreement*

March 8, 2007

Goldman, Sachs & Co.,  
85 Broad Street,  
New York, New York 10004.

Ladies and Gentlemen:

IHOP Franchising, LLC, a Delaware limited liability company (the “Issuer”) and IHOP IP, LLC, a Delaware limited liability company (the “Co-Issuer”, and together with the Issuer, the “Co-Issuers”), each of which is an indirect wholly-owned subsidiary of IHOP Corp., a Delaware corporation (the “Company”), propose, subject to the terms and conditions stated herein, to issue and sell to Goldman, Sachs & Co. (the “Purchaser”) an aggregate of \$175,000,000 principal amount of the Notes specified above (the “Securities”). Capitalized terms used but not defined herein have the meanings specified in the Offering Circular (as defined below).

1. Each of the Company and the Co-Issuers, jointly and severally, represents and warrants to, and agrees with, the Purchaser that:
    - (a) A preliminary base offering circular, dated March 6, 2007 (as supplemented by the preliminary supplemental offering circular, dated March 6, 2007, (the “Preliminary Offering Circular”) and a base offering circular, dated March 8, 2007 (as supplemented by the supplemental offering circular, dated March 8, 2007, the “Offering Circular”), have been prepared in connection with the offering of the Securities. The Preliminary Offering Circular, as amended and supplemented immediately prior to the Applicable Time (as defined in Section 1(b)), is hereinafter referred to the “Pricing Circular”. Any reference to the Preliminary Offering Circular, the Pricing Circular or the Offering Circular shall be deemed to refer to and include any Additional Co-Issuer Information (as defined in Section 5(f)) furnished by the Co-Issuers prior to the completion of the distribution of the Securities. The Preliminary Offering Circular or the Offering Circular
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and any amendments or supplements thereto did not and will not, as of their respective dates, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company and the Co-Issuers by the Purchaser expressly for use therein;

- (b) For the purposes of this Agreement, the “Applicable Time” is 1:20 pm (Eastern time) on the date of this Agreement; the Pricing Circular as supplemented by the information set forth in Schedule II hereto, taken together (collectively, the “Pricing Disclosure Package”) as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each such Co-Issuer Supplemental Disclosure Document, as supplemented by and taken together with the Pricing Disclosure Package as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that this representation and warranty shall not apply to statements or omissions made in a Co-Issuer Supplemental Disclosure Document in reliance upon and in conformity with information furnished in writing to the Company and the Co-Issuers by the Purchaser expressly for use therein;
- (c) Neither the Company nor any of its subsidiaries (including the Co-Issuers) has sustained since the date of the latest audited financial statements included in the Pricing Circular any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Circular; and, since the respective dates as of which information is given in the Pricing Circular, there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries (including the Co-Issuers) or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders’ equity or results of operations of the Company or any of its subsidiaries (including the Co-Issuers), otherwise than as set forth or contemplated in the Pricing Circular;
- (d) The Issuer and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in (or are

described as being permitted in) the Pricing Circular or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Issuer and its subsidiaries; and any real property and buildings held under lease by each the Issuer and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Issuer and its subsidiaries;

- (e) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Circular, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; and each subsidiary of the Issuer (other than the Co-Issuer) has been duly incorporated or organized and is validly existing as a corporation or limited liability company in good standing under the laws of its jurisdiction of incorporation or organization;
- (f) Each Co-Issuer has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with power and authority (limited liability company and other) to own its properties and conduct its business as described in the Pricing Circular, and has been duly qualified as a foreign limited liability company for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; and each subsidiary of each Co-Issuer has been duly incorporated or organized and is validly existing as a corporation or limited liability company in good standing under the laws of its jurisdiction of incorporation or organization;
- (g) The Company has an authorized capitalization as set forth in the Pricing Circular, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable; and all of the issued shares of capital stock or issued membership interests of each subsidiary of the Company (other than the Co-Issuers) have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

- (h) Each Co-Issuer has an authorized capitalization as set forth in the Pricing Circular, and all of the issued membership interests of each of the Co-Issuers have been duly and validly authorized and issued and are fully paid and non-assessable; and all of the issued shares of capital stock or issued membership interests of each subsidiary of the Issuer (other than the Co-Issuer) have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the applicable Co-Issuer, free and clear of all liens, encumbrances, equities or claims;
- (i) The Securities have been duly authorized and, when issued and delivered pursuant to this Agreement, will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of each of the Co-Issuers entitled to the benefits provided by the base indenture, dated as of March 16, 2007, and the series supplemental indenture thereto relating to the Securities to be dated as of March 16, 2007 (together, the “Indenture”) by and among the Co-Issuers and Wells Fargo Bank, National Association, as trustee (the “Trustee”), under which they are to be issued, which will be substantially in the form previously delivered to you; the Indenture has been duly authorized and, when executed and delivered by the Co-Issuers and the Trustee, the Indenture will constitute a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors’ rights and to general equity principles; and the Securities and the Indenture will conform to the descriptions thereof in the Pricing Disclosure Package and the Offering Circular and will be in substantially the form previously delivered to you;
- (j) As of the Closing Date, the Co-Issuers will have (i) no employees, (ii) no outstanding indebtedness for borrowed money and (iii) no material liabilities of any kind other than as described or contemplated in the Pricing Disclosure Package and the Offering Circular.
- (k) None of the transactions contemplated by this Agreement (including, without limitation, the use of the proceeds from the sale of the Securities) will violate or result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or any regulation promulgated thereunder, including, without limitation, Regulations T, U, and X of the Board of Governors of the Federal Reserve System;
- (l) Prior to the date hereof, neither the Company nor any of its affiliates (including the Co-Issuers) has taken any action which is designed to or which has constituted or which might have been expected to cause or result in stabilization or manipulation of the price of any security of the Company or the Co-Issuers in connection with the offering of the Securities;

- (m) The issue and sale of the Securities and the compliance by the Co-Issuers and their respective affiliates, as applicable, with all of the provisions of the Securities, the Indenture, the Transaction Documents and this Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries (including the Co-Issuers) is a party or by which the Company or any of its subsidiaries (including the Co-Issuers) is bound or to which any of the property or assets of the Company or any of its subsidiaries (including the Co-Issuers) is subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation, Certificate of Formation, By-laws or Limited Liability Company Agreement or similar documents (together, the “Constituent Documents”) of the Company or the Co-Issuers or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries (including the Co-Issuers) or any of their properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities or the consummation by the Company, the Co-Issuers and their respective subsidiaries of the transactions contemplated by this Agreement, the Indenture or the Transaction Documents except any such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Purchaser;
- (n) Neither the Company nor any of its subsidiaries (including the Co-Issuers) is in violation of their respective Constituent Documents or in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound;
- (o) The statements set forth (i) in the supplemental offering circular forming part of the Pricing Circular and the Offering Circular under the caption “Description of Principal Terms of the Offered Notes”, insofar as they purport to constitute a summary of the terms of the Securities, and under the captions “Description of the Insurance Agreement and the Insurance Policy”, “Summary of Certain Agreements”, “Certain Legal Aspects of the Franchise Assets”, “Certain U.S. Federal Income Tax Consequences”, “Certain ERISA Considerations”, “Plan of Distribution for the Offered Notes” and “Transfer Restrictions”, insofar as they purport to describe the provisions of the laws and documents referred to therein; and (ii) in the base offering circular forming part of the Pricing Circular and the Offering Circular under the captions “Certain Relationships and Related-Party

Transactions”, “Description of the Securitization Entities and IHOP Holdings and their Charter Documents”, “The Restructuring”, “Description of the Servicer and Servicing of the Franchise Assets, the Real Estate Assets and the IP Assets”, “Description of the Notes”, “Description of the Base Indenture”, “Description of the IP License”, “Description of the Asset Transfer Agreements”, “Description of the Credit Agreements”, “Certain Legal Aspects of the Franchise Assets”, “Certain U.S. Federal Income Tax Consequences”, “Certain ERISA Considerations”, “Transfer Restrictions”, insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair;

- (p) Other than as set forth in the Pricing Circular, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries (including the Co-Issuers) is a party or of which any property of the Company or any of its subsidiaries (including the Co-Issuers) is the subject which, if determined adversely to the Company or any of its subsidiaries (including the Co-Issuers), would individually or in the aggregate have a material adverse effect on the current or future financial position, members’ equity or results of operations of the Company or any of its subsidiaries (including the Co-Issuers); and, to the best of each of the Company’s or the Co-Issuers’ knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;
- (q) As to each Franchise Asset: (i) the information pertaining to the related Franchise Documents described in the base offering circular forming part of the Pricing Circular and the Offering Circular is true and correct in all material respects as of the Cut-Off Date, and since the Cut-Off Date there has been no modification to any Franchise Asset which would have a material adverse effect on the economic value of such Franchise Asset taken as a whole as of the Cut-Off Date; (ii) all federal, state, local and foreign laws, rules and regulations, including, without limitation, those relating to usury, truth-in-lending, franchise regulatory statutes (including licensing requirements) and the offer and sale of securities or franchises, applicable to such Franchise Asset, have been complied with in all material respects; (iii) the Issuer or the Co-Issuer, as applicable, owns full and legal and equitable title to such Franchise Asset, free and clear of any material lien in favor of any other person except for the lien created pursuant to the Indenture; (iv) each Franchise Document has been duly authorized, executed and delivered and constitutes a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors’ rights and to general equity principles; (v) the Servicer has all of the rights, properties and assets necessary to permit the Servicer to service such Franchise Asset in the manner contemplated by the Servicing Agreement; (vi) each Franchise Document was originated in material compliance with the

guidelines in place at the time of origination; (vii) except with respect to certain remodeling and promotional credits granted to the related franchisee in the ordinary course of business, the related franchisee has no defense or set-off rights with respect to its obligation under the related Franchise Document; and (viii) except as set forth in the relevant Transaction Documents, no Franchise Document is with a franchisee that is delinquent on its Franchise Payments thereunder as of the related Payment Date or Weekly Allocation Date on which they were due;

- (r) As of the Closing Date, the Co-Issuer, through ownership of the IP Assets or its rights in respect of the IP Assets pursuant to the IP License, will own and/or have the right to use all intellectual property necessary for it to operate the franchise system and conduct its business as described in the Pricing Circular and the Offering Circular;
- (s) Each of the Company and the Co-Issuers has filed prior to the date hereof all income tax returns of any jurisdiction which, to the knowledge of its respective officers, are required to be filed and has paid all taxes as shown on said returns and on all assessments received by it to the extent that such taxes have become due, other than any such taxes or assessment the amount, applicability or validity of which is being contested by the relevant company in good faith and for which appropriate reserves have been established;
- (t) Each of the Company and the Co-Issuers is solvent and will not be rendered insolvent by the Restructuring or the issuance of the Securities and, after giving effect to the Restructuring and the issuance of the Securities, none of the Company, the Co-Issuers or the Servicer will be left with an unreasonably small amount of capital with which to engage in its business, nor does any of the Company, the Co-Issuers or the Servicer intend to incur, or believe that it has incurred, debts beyond its ability to pay as they mature. None of the Company, the Co-Issuers and the Servicer contemplates the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of itself or any of its assets;
- (u) The Company and its subsidiaries (including the Co-Issuers) possess all material licenses, certificates, authorizations and permits issued by, and have made all declarations and filings with, the appropriate federal, state or foreign regulatory agencies or bodies which are necessary or desirable for the ownership of their respective properties or the conduct of their respective businesses as described in the Pricing Circular and the Offering Circular, and neither the Company nor any of its subsidiaries (including the Co-Issuers) has received notification of any revocation or modification of any such license, certificate, authorization or permit or has

any reason to believe that any such license, certificate, authorization or permit will not be renewed in the ordinary course;

- (v) At such time as each item of Collateral is transferred to the Trustee for the benefit of the holders of the Securities and the Insurer pursuant to the Indenture, and for so long as such Collateral remains subject to the Indenture, such Collateral shall be free and clear of any liens, claims, charges, encumbrances, restrictions on transferability or any other interest of any person except for the lien created under the Indenture. The Trustee has, and will at all times until the release thereof in accordance with the terms and conditions of the Indenture have, a valid and perfected, first priority security interest in the Collateral for the benefit of the holders of the Securities and the Insurer pursuant to the Indenture;
- (w) The Company and each of its subsidiaries (including the Co-Issuers) have insurance covering their respective properties, operations, personnel and businesses, which insurance is in amounts and insures against at least such losses and risks as are customary for companies engaged in the family dining restaurant business;
- (x) When the Securities are issued and delivered pursuant to this Agreement, the Securities will not be of the same class (within the meaning of Rule 144A under the United States Securities Act of 1933, as amended (the “Act”)) as securities which are listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system;
- (y) This Agreement has been duly authorized, executed and delivered by each of the Company and the Co-Issuers;
- (z) Each of the Transaction Documents to which the Company or either of the Co-Issuers is a party has been duly authorized by the Company or the applicable Co-Issuer, as the case may be, and, when executed and delivered, will constitute a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors’ rights and to general equity principles;
- (aa) None of the Company and the Co-Issuers is, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof, will be an “investment company”, as such term is defined in the United States Investment Company Act of 1940, as amended (the “Investment Company Act”);
- (bb) Neither of the Co-Issuers nor any person acting on its or their behalf has offered or sold the Securities by means of any general solicitation or

general advertising within the meaning of Rule 502(c) under the Act, or, with respect to Securities sold outside the United States to non-U.S. Persons (as defined in Rule 902 under the Act), by means of any directed selling efforts within the meaning of Rule 902 under the Securities Act and each of the Co-Issuers, any affiliate of the Co-Issuers and any person acting on its or their behalf has complied with and will implement the “offering restriction” within the meaning of such Rule 902;

- (cc) Within the preceding six months, except as set forth in the Pricing Circular and the Offering Circular, neither of the Co-Issuers nor any other person acting on its or their behalf has offered or sold to any person any Securities, or any securities of the same or a similar class as the Securities, other than Securities offered or sold to the Purchaser hereunder. The Co-Issuers will take reasonable precautions designed to insure that any offer or sale, direct or indirect, in the United States or to any “U.S. Person” (as defined in Rule 902 under the Act) of any Securities or any substantially similar security issued by either of the Co-Issuers, within six months subsequent to the date on which the distribution of the Securities has been completed (as notified to the Co-Issuers by Goldman, Sachs & Co.), is made under restrictions and other circumstances reasonably designed not to affect the status of the offer and sale of the Securities in the United States and to U.S. Persons contemplated by this Agreement as transactions exempt from the registration provisions of the Securities Act;
- (dd) Each of the Co-Issuers reasonably believes that, based upon discussions with the Purchaser, the representations and covenants of the Purchaser hereunder, the restrictions on the sale of the Securities as described herein and other factors which the Co-Issuers and their counsel have taken into consideration, all purchasers and initial transferees of the Securities will be “qualified purchasers” within the meaning of Section 2(a)(51) of the Investment Company Act (“QPs”) for purposes of Section 3(c)(7) of the Investment Company Act that are also, in the case of any such purchaser or transferee that is a U.S. Person, qualified institutional buyers as defined in Rule 144A under the Act (“QIBs”);
- (ee) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15 (f) of the Exchange Act) that complies with the requirements of the Exchange Act and has been designed by the Company’s principal executive officers and principal financial officers, or under their 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. The Company’s internal control over financial reporting is effective and the Company is not aware of any material weaknesses in their respective internal control over financial reporting;



- (ff) Since the date of the latest audited financial statements included in the Pricing Circular, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting;
  - (gg) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) of the Exchange Act) that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective;
  - (hh) Neither the Company nor any of its affiliates does business with the government of Cuba or with any person or affiliate located in Cuba within the meaning of Section 517.075, Florida Statutes; and
  - (ii) Ernst & Young LLP, which has audited certain financial statements of the Co-Issuers and their respective subsidiaries is an independent registered public accounting firm as required by the Act and the rules and regulations of the Commission thereunder.
2. Subject to the terms and conditions herein set forth, each of the Co-Issuers agrees, jointly and severally, to issue and sell to the Purchaser, and the Purchaser agrees to purchase from the Co-Issuers, at a purchase price of 99.9996% of the principal amount thereof, plus accrued interest, if any, from March 16, 2007 to the Time of Delivery hereunder, the principal amount of Securities set forth in the introductory paragraph of this Agreement.
3. Upon the authorization by you of the release of the Securities, the Purchaser proposes to offer the Securities for sale upon the terms and conditions set forth in this Agreement and the Offering Circular and the Purchaser hereby represents and warrants to, and agrees with the Company and each of the Co-Issuers that:
- (a) It will offer and sell the Securities only to: (i) persons who it reasonably believes are QIBs within the meaning of Rule 144A under the Act who are also QPs in transactions meeting the requirements of Rule 144A or (ii) upon the terms and conditions set forth in Annex I to this Agreement;
  - (b) It is an "institutional accredited investor" within the meaning of Rule 501 under the Act and a QP; and
  - (c) It will not offer or sell the Securities by any form of general solicitation or general advertising, including but not limited to the methods described in Rule 502(c) under the Act.

4. (a) The Securities to be purchased by the Purchaser hereunder will be represented by one or more definitive global Securities in book-entry form which will be deposited by or on behalf of the Co-Issuers with The Depository Trust Company (“DTC”) or its designated custodian. The Co-Issuers will deliver the Securities to the Purchaser, for the account of the Purchaser, against payment by or on behalf of the Purchaser of the purchase price therefor by wire transfer in Federal (same day) funds, by causing DTC to credit the Securities to the account of the Purchaser at DTC. The Co-Issuers will cause the certificates representing the Securities to be made available to the Purchaser for checking at least twenty-four hours prior to the Time of Delivery (as defined below) at the office of Skadden Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036 (the “Closing Location”). The time and date of such delivery and payment shall be 9:30 a.m., New York City time, on March 16, 2007 or such other time and date as the Purchaser and the Co-Issuers may agree upon in writing. Such time and date are herein called the “Time of Delivery”.
- (b) The documents to be delivered at the Time of Delivery by or on behalf of the parties hereto pursuant to Section 8 hereof, including the cross-receipt for the Securities and any additional documents requested by the Purchaser pursuant to Section 8(l) hereof, will be delivered at such time and date at the Closing Location, and the Securities will be delivered at DTC or its designated custodian, all at the Time of Delivery. A meeting will be held at the Closing Location at 5:00 p.m., New York City time, on the New York Business Day next preceding the Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, “New York Business Day” shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.
5. Each of the Company and the Co-Issuers, jointly and severally, agrees with the Purchaser:
- (a) To prepare the Offering Circular in a form approved by you; to make no amendment or any supplement to the Offering Circular which shall be disapproved by you promptly after reasonable notice thereof; and to furnish you with copies thereof;
- (b) Promptly from time to time to take such action as you may reasonably request to qualify the Securities for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Securities, *provided* that in connection therewith none of the

Company or the Co-Issuers shall be required to (i) qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction or (ii) to file a registration statement or prospectus in any jurisdiction;

- (c) To furnish the Purchaser with written and electronic copies thereof in such quantities as you may from time to time reasonably request, and if, at any time prior to the expiration of nine months after the date of the Offering Circular, any event shall have occurred as a result of which the Offering Circular as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Offering Circular is delivered, not misleading, or, if for any other reason it shall be necessary or desirable during such same period to amend or supplement the Offering Circular, to notify you and upon your request to prepare and furnish without charge to the Purchaser and to any dealer in securities as many written and electronic copies as you may from time to time reasonably request of an amended Offering Circular or a supplement to the Offering Circular which will correct such statement or omission or effect such compliance;
- (d) During the period beginning from the date hereof and continuing until the date six months after the Time of Delivery, not to offer, sell contract to sell or otherwise dispose of, except as provided hereunder any securities of either of the Co-Issuers that are substantially similar to the Securities without your prior written consent;
- (e) Not to be or become, at any time prior to the expiration of two years after the Time of Delivery, an open-end investment company, unit investment trust, closed-end investment company or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act;
- (f) At any time when either of the Co-Issuers is not subject to Section 13 or 15(d) of the Exchange Act, for the benefit of holders from time to time of Securities, to furnish at its expense, upon request, to holders of Securities and prospective purchasers of securities information (the “Additional Co-Issuer Information”) satisfying the requirements of subsection (d)(4)(i) of Rule 144A under the Act;
- (g) To furnish to the holders of the Securities as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders’ equity and cash flows of the Co-Issuers and their consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the date of the Offering Circular), to make available to its

stockholders consolidated summary financial information of the Co-Issuers and their respective subsidiaries for such quarter in reasonable detail;

- (h) During the period of two years after the Time of Delivery, the Co-Issuers will not, and will not permit any of their respective “affiliates” (as defined in Rule 144 under the Securities Act) to, resell any of the Securities which constitute “restricted securities” under Rule 144 that have been reacquired by any of them;
- (i) To use the net proceeds received by the Issuer, on behalf of itself and the Co-Issuer, from the sale of the Securities pursuant to this Agreement in the manner specified in the Pricing Circular under the caption “Use of Proceeds”.

- 6. (a) (i) Each of the Company and the Co-Issuers represents and agrees, jointly and severally, that, without the prior consent of the Purchaser, it has not made and will not make any offer relating to the Securities that, if the offering of the Securities contemplated by this Agreement were conducted as a public offering pursuant to a registration statement filed under the Act with the Commission, would constitute an “issuer free writing prospectus,” as defined in Rule 433 under the Act (any such offer is hereinafter referred to as a “Co-Issuer Supplemental Disclosure Document”);
- (ii) the Purchaser represents and agrees that, without the prior consent of the Co-Issuers, other than one or more term sheets relating to the Securities containing customary information and conveyed to purchasers of securities, it has not made and will not make any offer relating to the Securities that, if the offering of the Securities contemplated by this Agreement were conducted as a public offering pursuant to a registration statement filed under the Act with the Commission, would constitute a “free writing prospectus,” as defined in Rule 405 under the Act (any such offer (other than any such term sheets), is hereinafter referred to as a “Purchaser Supplemental Disclosure Document”); and
- (iii) any Co-Issuer Supplemental Disclosure Document or Purchaser Supplemental Disclosure Document the use of which has been consented to by the Co-Issuers and the Purchaser is listed on Schedule I(b) hereto;

- 7. Each of the Company and the Co-Issuers, jointly and severally, covenants and agrees with the Purchaser that the Co-Issuers will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Co-Issuers’ counsel and accountants in connection with the issue of the Securities conversion and all other expenses in connection with the preparation, printing, reproduction and filing of the Preliminary Offering Circular and the Offering Circular and any

amendments and supplements thereto and the mailing and delivering of copies thereof to the Purchaser and dealers; (ii) the cost of printing or producing this Agreement, the Indenture, the other Transaction Documents, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Securities; (iii) all expenses in connection with the qualification of the Securities for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Purchaser in connection with such qualification and in connection with the Blue Sky and legal investment surveys; (iv) any fees charged by securities rating services for rating the Securities; (v) the cost of preparing the Securities; (vi) the fees and expenses of the Trustee and any agent of the Trustee and the fees and disbursements of counsel for the Trustee in connection with the Indenture and the Securities; and (vii) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 9 and 12 hereof, the Purchaser will pay all of its own costs and expenses, including the fees of its counsel, transfer taxes on resale of any of the Securities by it, and any advertising expenses connected with any offers they may make.

8. The obligations of the Purchaser hereunder shall be subject, in its discretion, to the condition that all representations and warranties and other statements of the Co-Issuers herein are, at and as of the Time of Delivery, true and correct, the condition that the Co-Issuers shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:
- (a) Cadwalader, Wickersham & Taft LLP, counsel for the Purchaser, shall have furnished to you such opinion or opinions, dated the Time of Delivery, in form and substance satisfactory to you, with respect to such matters of as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;
  - (b) Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Company and the Co-Issuers, and Mark D. Weisberger, General Counsel to the Company shall have furnished to you their written opinion or opinions, dated the Time of Delivery, in form and substance satisfactory to you; provided, however, that the condition set forth in this clause (b) with respect to the delivery by Skadden, Arps, Slate, Meagher & Flom LLP of an opinion as of the Applicable Time with respect to the Preliminary Offering Circular or any other part of the Pricing Disclosure Package not including any untrue statement of a material fact or omitting to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading shall not apply in the event (any such event, a “Time of Sale Event”) that there have been material changes, other than with respect to the addition of the

information contained in Schedule II hereto or other pricing information, between the Preliminary Offering Circular and the Pricing Disclosure Package on the one hand and the Offering Circular, which, in the reasonable opinion of Skadden, Arps, Slate, Meagher & Flom LLP, would prohibit delivery of such opinion as of the Applicable Time;

- (c) Laura Kegg, Esq., Counsel to the Insurer, shall have furnished to you their written opinion or opinions, dated the Time of Delivery, in form and substance satisfactory to you;
- (d) On the date of the Offering Circular prior to the execution of this Agreement and also at the Time of Delivery, Ernst & Young LLP shall have furnished to you a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to you;
- (e) (i) Neither the Company nor any of its subsidiaries (including the Co-Issuers) shall have sustained since the date of the latest audited financial statements included in the Pricing Circular any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Circular, and (ii) since the respective dates as of which information is given in the Pricing Circular there shall not have been any change in the capital stock or long-term debt of the Company or any its subsidiaries (including the Co-Issuers) or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries (including the Co-Issuers), otherwise than as set forth or contemplated in the Pricing Circular, the effect of which, in any such case described in clause (i) or (ii), is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with the offering or the delivery of the Securities on the terms and in the manner contemplated in this Agreement and in the Offering Circular;
- (f) On or after the Applicable Time (i) no downgrading shall have occurred in the rating accorded the Company's or the Co-Issuers' debt securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Co-Issuers' debt securities;
- (g) On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities

declared by either Federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in your judgment makes it impracticable or inadvisable to proceed with the offering or the delivery of the Securities on the terms and in the manner contemplated in the Offering Circular;

- (h) The Restructuring shall have been completed;
  - (i) All of the Transaction Documents that are required to be executed by the Closing shall have been executed and delivered; and
  - (j) Each of the Company and the Co-Issuers shall have furnished or caused to be furnished to you at the Time of Delivery certificates of officers of the Company and the Co-Issuers satisfactory to you as to the accuracy of the representations and warranties of the Company and the Co-Issuers herein at and as of such Time of Delivery, as to the performance by the Company and the Co-Issuers of all of their obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (e), (h) and (i) of this Section and as to such other matters as you may reasonably request.
9. (a) Each of the Company and the Co-Issuers, jointly and severally, will indemnify and hold harmless the Purchaser against any losses, claims, damages or liabilities, joint or several, to which the Purchaser may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Circular, the Pricing Circular, the Offering Circular, any offering, roadshow and marketing materials relating to the Securities (the “Additional Offering Materials”), or any amendment or supplement thereto, any Co-Issuer Supplemental Disclosure Document, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, and will reimburse the Purchaser for any legal or other expenses reasonably incurred by such Purchaser in connection with investigating or defending any such action or claim as such expenses are incurred; *provided, however*, that none of the Company or the Co-Issuers shall be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Offering Circular, the Pricing Circular, the Offering Circular, the Additional Offering Materials, or any such amendment or supplement, or

any Co-Issuer Supplemental Disclosure Document, in reliance upon and in conformity with written information furnished to the Company and the Co-Issuers by the Purchaser expressly for use therein.

- (b) The Purchaser will indemnify and hold harmless each of the Company and the Co-Issuers against any losses, claims, damages or liabilities to which the Company or the Co-Issuers may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Circular, the Pricing Circular, the Offering Circular, the Additional Offering Materials or any amendment or supplement thereto, or any Co-Issuer Supplemental Disclosure Document, or arise out of or are based upon the omission or alleged omission to state therein a material fact or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Offering Circular, the Pricing Circular, the Offering Circular, the Additional Offering Materials, or any such amendment or supplement, or any Co-Issuer Supplemental Disclosure Document in reliance upon and in conformity with written information furnished to the Company and the Co-Issuers by the Purchaser expressly for use therein; and will reimburse each of the Company and the Co-Issuers for any legal or other expenses reasonably incurred by each of the Company and the Co-Issuers in connection with investigating or defending any such action or claim as such expenses are incurred.
- (c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall,



without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of any indemnified party.

- (d) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Co-Issuers on the one hand and the Purchaser on the other from the offering of the Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Co-Issuers on the one hand and the Purchaser on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Co-Issuers on the one hand and the Purchaser on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Co-Issuers bear to the total underwriting discounts and commissions received by the Purchaser, in each case as set forth in the Offering Circular. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Co-Issuers on the one hand or the Purchaser on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Each of the Company and the Co-Issuers, jointly and severally, and the Purchaser agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect

thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), the Purchaser shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to investors were offered to investors exceeds the amount of any damages which the Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

- (e) The obligations of the Company and the Co-Issuers under this Section 9 shall be in addition to any liability which the Company and the Co-Issuers may otherwise have and shall extend, upon the same terms and conditions, to any affiliate of the Purchaser and each person, if any, who controls the Purchaser within the meaning of the Act; and the obligations of the Purchaser under this Section 9 shall be in addition to any liability which the Purchaser may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and the Co-Issuers and to each person, if any, who controls the Company or the Co-Issuers within the meaning of the Act.

- 10. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Co-Issuers and the Purchaser, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of the Purchaser or any controlling person of the Purchaser, the Company, or the Co-Issuers, or any officer or director or controlling person of the Company, the Co-Issuers, and shall survive delivery of and payment for the Securities.
- 11. If for any reason, the Securities are not delivered by or on behalf of the Co-Issuers as provided herein, each of the Company and the Co-Issuers agree, jointly and severally, to reimburse the Purchaser through you for all expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Purchaser in making preparations for the purchase, sale and delivery of the Securities, but the Company and the Co-Issuers shall then be under no further liability to the Purchaser except as provided in Sections 7 and 9 hereof.
- 12. All statements, requests, notices and agreements hereunder shall be in writing, and if to the Purchaser shall be delivered or sent by mail, telex or facsimile transmission to you at One New York Plaza, 42<sup>nd</sup> Floor, New York, New York 10004, Attention: Registration Department; and if to the Company or the Co-Issuers shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company or the Co-Issuers set forth in the Offering Circular.

Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Purchaser, the Company, the Co-Issuers and, to the extent provided in Sections 9 and 11 hereof, the officers and directors of the Company, the Co-Issuers and each person who controls the Company, the Co-Issuers or the Purchaser, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Securities from the Purchaser shall be deemed a successor or assign by reason merely of such purchase.
14. Time shall be of the essence of this Agreement.
15. Each of the Company and the Co-Issuers acknowledges and agrees, jointly and severally, that (i) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between each of the Co-Issuers, on the one hand, and the Purchaser, on the other, (ii) in connection therewith and with the process leading to such transaction the Purchaser is acting solely as a principal and not the agent or fiduciary of the Company or the Co-Issuers, (iii) the Purchaser has not assumed an advisory or fiduciary responsibility in favor of the Company or the Co-Issuers with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether the Purchaser has advised or is currently advising the Company or the Co-Issuers or any of their respective affiliates on other matters) or any other obligation to the Company or the Co-Issuers except the obligations expressly set forth in this Agreement and (iv) the Company and the Co-Issuers have consulted their own legal and financial advisors to the extent it deemed appropriate. Each of the Company and the Co-Issuers agrees, jointly and severally, that it will not claim that the Purchaser, or any of its affiliates, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company and the Co-Issuers, in connection with such transaction or the process leading thereto.
16. This Agreement supersedes all prior agreements and understandings (whether written or oral) by and among the Company, the Co-Issuers and the Purchaser, or any of them, with respect to the subject matter hereof.
17. **This Agreement shall be governed by and construed in accordance with the laws of the State of New York.**
18. Each of the Company, the Co-Issuers and the Purchaser hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.
19. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all

such respective counterparts shall together constitute one and the same instrument.

20. Notwithstanding anything herein to the contrary, the Company, the Co-Issuers (and the Company and the Co-Issuers' employees, representatives, and other agents, as applicable) are authorized to disclose to any and all persons, the tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the Company and the Co-Issuers relating to that treatment and structure, without the Purchaser' imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax treatment" means US federal and state income tax treatment, and "tax structure" is limited to any facts that may be relevant to that treatment.

If the foregoing is in accordance with your understanding, please sign and return to us five counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Purchaser, this letter and such acceptance hereof shall constitute a binding agreement by and among each of the Purchaser, the Company and the Co-Issuers.

Very truly yours,

IHOP Corp.

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

IHOP Franchising, LLC

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

IHOP IP, LLC

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

Accepted as of the date hereof:

Goldman, Sachs & Co.

By /s/ CURTIS PROBST  
(Goldman, Sachs & Co.)

**SCHEDULE I**

- (a) Additional Documents Incorporated by Reference: None.
- (b) Approved Supplemental Disclosure Documents: None.

SCH I-1

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SCHEDULE II

Title of Purchased Securities:	Series 2007-1 Fixed Rate Term Notes
Aggregate Principal Amount Offered:	\$175,000,000
Price to Public:	99.9996%
Settlement Date:	March 16, 2007
Managing Underwriter:	Goldman, Sachs & Co.
Purchase Price by Underwriter:	99.9996%
Maturity Date:	March 20, 2037
Interest Rate:	5.144%
Interest Payment Dates:	On the 20 <sup>th</sup> day of each month, commencing April 20, 2007

- (1) The Securities have not been and will not be registered under the Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in accordance with Regulation S under the Act or pursuant to an exemption from the registration requirements of the Act. The Purchaser represents that it has offered and sold the Securities, and will offer and sell the Securities (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Time of Delivery, only in accordance with Rule 903 of Regulation S or Rule 144A under the Act (provided that such sales are made to offerees who are also QPs). Accordingly, the Purchaser agrees that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. The Purchaser agrees that, at or prior to confirmation of sale of Securities (other than a sale pursuant to Rule 144A (provided that such sales under Rule 144A are made to offerees who are also QPs)), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from it during the restricted period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “Securities Act”) and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. Persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available (provided that such sales under Rule 144A are made to offerees who are also QPs)) under the Securities Act. Terms used above have the meaning given to them by Regulation S.”

Terms used in this paragraph have the meanings given to them by Regulation S.

The Purchaser further agrees that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Securities, except with its affiliates or with the prior written consent of the Co-Issuers.

- (2) Notwithstanding the foregoing, Securities in registered form may be offered, sold and delivered by the Purchaser in the United States and to U.S. Persons pursuant to Section 3 of this Agreement without delivery of the written statement required by paragraph (1) above.
- (3) The Purchaser agrees that it will not offer, sell or deliver any of the Securities in any jurisdiction outside the United States except under circumstances that will



result in compliance with the applicable laws thereof, and that it will take at its own expense whatever action is required to permit its purchase and resale of the Securities in such jurisdictions. The Purchaser understands that no action has been taken to permit a public offering in any jurisdiction outside the United States where action would be required for such purpose. The Purchaser agrees to cause any advertisement of the Securities to be published in any newspaper or periodical or posted in any public place and to issue any circular relating to the Securities only at its own risk and expense.

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IHOP FRANCHISING, LLC,  
as Issuer

and

IHOP IP, LLC,  
as Co-Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION  
Indenture Trustee

and

FINANCIAL GUARANTY INSURANCE COMPANY  
Series Insurer

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SERIES SUPPLEMENT

**for the Series 2007-1 Fixed Rate Term Notes**

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March 16, 2007

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This Series Supplement (the “Series Supplement”) is dated March 16, 2007 and is made among IHOP FRANCHISING, LLC, a Delaware limited liability company (the “Issuer”), IHOP IP, LLC, a Delaware limited liability company (the “Co-Issuer” and, together with the Issuer, the “Co-Issuers”), Wells Fargo Bank, National Association, as indenture trustee (herein, together with its permitted successors in the trusts under the Indenture, called the “Indenture Trustee”), and Financial Guaranty Insurance Company, a New York stock insurance company, as insurer as to the Notes issued pursuant to this Series Supplement (the “Series Insurer”).

W I T N E S S E T H:

WHEREAS, the Issuer, the Co-Issuer and the Indenture Trustee have entered into the Base Indenture (the “Base Indenture”), dated as of March 16, 2007 providing for the issuance from time to time of one or more series of Notes, as provided therein.

WHEREAS, the Co-Issuers have determined to issue a Series of Notes consisting of \$175,000,000 Fixed Rate Term Notes (the “Series 2007-1 Notes”);

WHEREAS, the Co-Issuers and the Indenture Trustee are executing and delivering this Series Supplement in order to create and provide for the Series 2007-1 Notes (the “Series Supplement” and, together with the Base Indenture, the “Indenture”); and

WHEREAS, the Series 2007-1 Notes are to be insured by the Series Insurer in accordance with the Insurance Policy (the “Insurance Policy”) of the Series Insurer, dated as of March 16, 2007 and the Series Insurer is executing this Series Supplement in order to acknowledge and confirm its rights and obligations relating to the Series 2007-1 Notes, the Series Insurer as provided by the Indenture, the Series 2007-1 Notes, the Insurance Policy and under the Insurance and Indemnification Agreement (the “Insurance Agreement”), dated as of March 16, 2007, among the Co-Issuers, the Series Insurer, IHOP Corp., International House of Pancakes, Inc., IHOP Holdings LLC and the Indenture Trustee.

NOW, THEREFORE, in consideration of mutual covenants and agreements and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used herein without definition shall have the meanings given to such terms in the Base Indenture.

**ARTICLE II**

**[RESERVED]**

**ARTICLE III**

**CREATION OF SERIES 2007-1 NOTES; DESIGNATION**

There is hereby created for issuance under this Series Supplement, upon and subject to the conditions set forth in Article IV below, a Series of Notes designated the Series 2007-1 Fixed Rate Term Notes (the “Series 2007-1 Notes”). The Series 2007-1 Notes shall be a Senior Series of Notes for purposes of the Indenture. The Series 2007-1 Notes shall be governed by the terms set forth in the Base Indenture and this Series Supplement.

**ARTICLE IV**

**CONDITIONS TO ISSUANCE**

The Series 2007-1 Notes shall be issued only upon (a) the satisfaction of the conditions precedent in the Base Indenture (including but not limited to those set forth in Section 2.3 and Article III thereof) and (b) receipt by the Indenture Trustee of the following:

- (i) counterparts of this Series Supplement executed and delivered by the Co-Issuers, the Indenture Trustee and the Series Insurer;
- (ii) a Company Order authorizing and directing the authentication and delivery of the Series 2007-1 Notes by the Indenture Trustee on the terms contained in this Series Supplement on the date specified in such Company Order;
- (iii) the Insurance Policy and the Insurance Agreement relating to the Series 2007-1 Notes;
- (iv) written confirmation that the Series 2007-1 Notes will be rated “Aaa” by Moody’s and “AAA” by S&P upon issuance; and
- (v) written confirmation that the Series 2007-1 Notes will receive a shadow rating (exclusive of the effect of any Insurance Policy) of at least “Baa3” by Moody’s and at least “BBB-” by S&P upon issuance.

**ARTICLE V**

**PRINCIPAL Terms**

Section 5.1      Series 2007-1 Note Interest Amount, Fees and Closing Date.

(a)      Series 2007-1 Note Interest Amount. The Series 2007-1 Note Interest Amount shall be payable in arrears on each Payment Date commencing on April 20, 2007 as the

Series Interest Payment Amount relating to the Series 2007-1 Notes. The “Series 2007-1 Note Interest Amount” shall be an amount equal to the accrued interest over the immediately preceding Interest Accrual Period at the Series 2007-1 Note Interest Rate on the Series 2007-1 Outstanding Principal Amount (on the first day of such Interest Accrual Period after giving effect to all payments of principal made to Holders of such Series of Notes on such day), calculated based on a 360-day year of twelve 30-day months.

The “Series 2007-1 Note Interest Rate” shall be equal to a fixed rate of 5.144% per annum.

(b) Series 2007-1 Contingent Additional Interest Amounts. The “Series 2007-1 Monthly Extension Period Contingent Additional Interest Amount” shall be, with respect to any Interest Accrual Period that occurs during a Series 2007-1 Extension Period (as defined below), an amount of additional interest on the Series 2007-1 Outstanding Principal Amount (as of the first day of the preceding Interest Accrual Period and after giving effect to all payments of principal made to Holders of such Series of Notes on such day) accrued over the preceding Interest Accrual Period at an annual rate equal to 0.25%, calculated based on a 360-day year of twelve 30-day months. The “Series 2007-1 Monthly Post-ARD Contingent Additional Interest Amount” shall be, with respect to any Interest Accrual Period occurring from and after the Series 2007-1 Anticipated Repayment Date if the Series 2007-1 Final Payment has not been made, an amount of additional interest on the Series 2007-1 Outstanding Principal Amount (as of the first day of the preceding Interest Accrual Period and after giving effect to all payments of principal made to Holders of such Series of Notes on such day) accrued over the preceding Interest Accrual Period at an annual rate equal to 0.25%, calculated based on a 360-day year of twelve 30-day months. Any Series 2007-1 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-1 Monthly Post-ARD Contingent Additional Interest Amount (as applicable) is due and payable following accrual as and when amounts are made available for payment thereof in accordance with the Base Indenture, but such amounts will not be considered insured amounts under the Series 2007-1 Insurance Policy and failure to pay any Series 2007-1 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-1 Monthly Post-ARD Contingent Additional Interest Amount (as applicable) shall not be an Event of Default and Overdue Interest will not accrue on any unpaid portion thereof; *provided*, that all accrued but unpaid Series 2007-1 Monthly Extension Period Contingent Additional Interest or Series 2007-1 Monthly Post-ARD Contingent Additional Interest (as applicable) shall be paid in full on the Series 2007-1 Legal Final Maturity Date, on any Payment Date with respect to a prepayment in full of the Series 2007-1 Notes or on any other day on which all of the Series 2007-1 Notes are required to be paid in full. For purposes of Article X and Article XI of the Base Indenture, any Series 2007-1 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-1 Monthly Post-ARD Contingent Additional Interest Amount, as applicable, shall be deemed a Series Additional Interest Payment Amount and shall not be insured by the Series Insurer.

“Series 2007-1 Final Payment” means the payment of all accrued and unpaid interest on, principal of and premium, if any, on all Outstanding Series 2007-1 Notes, and the payment of all accrued, and unpaid Insurer Premiums, Insurer Reimbursements and Insurer Expenses relating to the Series 2007-1 Notes and any and all other amounts due or that may become due to the Insurer in connection with the Series 2007-1 Notes. For the avoidance of

doubt, occurrence of the Series 2007-1 Final Payment shall not prejudice the rights of the Series Insurer under the Indenture or the Insurance Agreement with respect to any amounts owed to the Series Insurer relating to the Series 2007-1 Notes constituting Insurer Premiums, Insurer Reimbursements and Insurer Expenses that remain unpaid.

(c) Series 2007-1 Closing Date. The Closing Date shall be March 16, 2007.

(d) Series 2007-1 Initial Interest Accrual Period. The Initial Interest Accrual Period for the Series 2007-1 Notes shall commence on the Closing Date and end on April 19, 2007.

Section 5.2 Payment of 2007-1 Note Principal.

(a) Series 2007-1 Notes Principal Payment at Legal Maturity. The Series 2007-1 Outstanding Principal Amount shall be due and payable on the Series 2007-1 Legal Final Maturity Date. The Series 2007-1 Outstanding Principal Amount may be subject to Mandatory Redemption pursuant to and in accordance with Section 9.1 of the Base Indenture and to Optional Redemption in whole or in part pursuant to and in accordance with Section 9.2 of the Base Indenture.

(b) Series 2007-1 Anticipated Repayment Date. The Series Anticipated Repayment Date for the Series 2007-1 Notes shall be the Payment Date occurring in March 2012, unless extended as provided below in this Section 5.2 (such date, the “Series 2007-1 Anticipated Repayment Date”).

(i) First Extension Election. Subject to the conditions set forth in Section 5.2(b)(iii) of this Series Supplement, the Co-Issuers shall have the option on or before the Payment Date occurring in September 2011 to elect (the “Series 2007-1 First Extension Election”) to extend the Series 2007-1 Anticipated Repayment Date to the Payment Date occurring in March 2013 by delivering written notice to the Indenture Trustee, the Noteholders and the Series Insurer;

(ii) Second Extension Election. Subject to the conditions set forth in Section 5.2(b)(iii) of this Series Supplement, if the Series 2007-1 First Extension Election has been made and becomes effective, the Co-Issuers shall have the option on or before the Payment Date occurring in September 2012 to elect (the “Series 2007-1 Second Extension Election”) to further extend the Series 2007-1 Anticipated Repayment Date to the Payment Date occurring in March 2014 by delivering written notice to the Indenture Trustee, the Noteholders and the Series Insurer.

(iii) Conditions Precedent to Extension Elections. It shall be a condition to the effectiveness of the Series 2007-1 Extension Elections that, in the case of the Series 2007-1 First Extension Election, on the Accounting Date occurring in February 2012 (the “First Extension Determination Date”), or in the case of the Series 2007-1 Second Extension Election, on the Accounting Date occurring in February 2013 (the “Second Extension Determination Date”), (a) the Series Debt Service Coverage Ratio relating to the Series 2007-1 Notes is greater than or equal to 2.50x, or, unless the Series Debt Service Coverage Ratio relating to the Series 2007-1 Notes is

equal to or greater than 2.50x, the Indenture Trustee has received the written consent of the Series Controlling Party relating to the Series 2007-1 Notes to such extension, (b) no Mandatory Redemption Event relating to the Series 2007-1 Notes, Default or Event of Default (or an event which with the lapse of time or giving of notice would be such a Mandatory Redemption Event, Default or Event of Default) has occurred and is continuing or would be a direct and immediate consequence of such extension; and (c) IHOP System-wide Sales are greater than or equal to \$2,100,000,000.

For purposes of this Series Supplement, a “Series 2007-1 Extension Period” means, as applicable, the period from and including the Payment Date occurring in March 2012 to and excluding the Payment Date occurring in March 2013 following a Series 2007-1 First Extension Election and subject to the satisfaction of all the conditions required for such extension as of the First Extension Determination Date or the period from and including the Payment Date occurring in March 2013 to and excluding the Payment Date occurring in March 2014 following a Series 2007-1 Second Extension Election and subject to the satisfaction of all of the conditions required for such extension as of the Second Extension Determination Date.

For purposes of this Series Supplement, “IHOP System-wide Sales” means retail sales during the fiscal year preceding the First Extension Determination Date or the Second Extension Determination Date, as the case may be, of IHOP Restaurants operated by Franchisees, Area Licensees, and IHOP Corp. or any Affiliate thereof.

(iv) Any notice given pursuant to Section 5.2(b)(i) or (ii) of this Series Supplement shall be irrevocable; provided that if the conditions set forth in this Section 5.2(b)(iii) are not met by the applicable date, the election set forth in such notice shall automatically be deemed ineffective.

(v) Pursuant to and in accordance with the Insurance Policy and Premium Letter, in connection with the Series 2007-1 Notes, any such extension will result in an increase in premium as set forth in the Premium Letter (as defined below) in connection with the Series 2007-1 Notes.

(c) Series 2007-1 Notes Mandatory Payments of Principal. The Series 2007-1 Notes shall be subject to Mandatory Redemption as provided under and in accordance with Section 9.1 of the Base Indenture.

(d) Series 2007-1 Notices of Final Payment. The Co-Issuers shall notify the Indenture Trustee, the Series Insurer and the Rating Agencies on or before the Record Date preceding the Payment Date which will be the Series 2007-1 Anticipated Repayment Date; provided, however, that with respect to any final payment that is made in connection with any mandatory or optional redemption in full, the Co-Issuers shall not be obligated to provide any additional notice to the Indenture Trustee, the Series Insurer or the Rating Agencies of such final payment beyond the notice required to be given in connection with such redemption under Article IX of the Base Indenture. The Indenture Trustee shall provide written notice to each person in whose name a Series 2007-1 Note is registered at the close of business on such Record Date that the immediately succeeding Payment Date will be the Series 2007-1 Anticipated Repayment Date. Such written notice to be sent to the Series 2007-1 Noteholders shall be made

at the expense of the Co-Issuers and shall be mailed by the Indenture Trustee within five (5) Business Days of receipt of notice from the Co-Issuers indicating that the final payment will be made and shall specify that such final payment will be payable only upon presentation and surrender of the Series 2007-1 Notes and shall specify the place where the Series 2007-1 Notes may be presented and surrendered for such final payment.

Section 5.3            Principal Terms of the Series 2007-1 Notes. The Series 2007-1 Notes shall have the following Principal Terms:

(a)            Initial Series Aggregate Principal Amount. The Initial Series Aggregate Outstanding Principal Amount for the Series 2007-1 Notes shall be \$175,000,000.

(b)            Maximum Series Aggregate Principal Amount. The maximum Aggregate Outstanding Principal Amount for the Series 2007-1 Notes shall be \$175,000,000.

(c)            Series Insurer Premium Payable Amount. The Series Insurance Premium Payable Amount for Series 2007-1 Notes shall be as set forth in the Premium Letter, dated as of Closing Date, between the Co-Issuers and the Series Insurer.

(d)            Series Specific Accounts Established Pursuant to Article X of the Base Indenture.

- (i)        Series 2007-1 Interest Payment Account;
- (ii)       Series 2007-1 Principal Payment Account;
- (iii)      Series 2007-1 Interest Reserve Account;
- (iv)      Series 2007-1 Trigger Reserve Account; and
- (v)      Series 2007-1 Fee Payment Account.

(e)            Series Initial Interest Reserve Deposit Amount. \$2,408,000 shall be deposited to the Series 2007-1 Note Interest Reserve Account on the Closing Date.

(f)            Series Interest Reserve Account Required Amount. With respect to the Series 2007-1 Notes on each Payment Date and subsequent Weekly Allocation Date up to the next Payment Date, (A) if the Series Debt Service Coverage Ratio determined as of each of the three preceding Accounting Dates is equal to or greater than 2.25x, the Series Interest Reserve Account Required Amount shall be (i) the aggregate amount, without duplication, of the Estimated Daily Reserve Interest Amount for each day of the next Interest Accrual Period plus (ii) the Series Insurer Premium Payable Amount with respect to the Series 2007-1 Notes on the next Payment Date or (B) if the Series Debt Service Coverage Ratio determined as of the as of any of the three preceding Accounting Dates is less than 2.25x, the Series Interest Reserve Account Required Amount shall be the product of (i) three (3) and (ii) the amount determined in accordance with (A).



For purposes of this Series Supplement, “Estimated Daily Reserve Interest Amount” means (a) for any day during the first Interest Accrual Period, \$26,756, (b) for any day during the second Interest Accrual Period, \$26,756, and (c) for any day during each subsequent other Interest Accrual Period, the average of the Daily Reserve Interest Amount for each day during the most recent prior two consecutive Interest Accrual Periods.

For purposes of this Series Supplement, the “Daily Reserve Interest Amount” means the (a) product of (i) the Series 2007-1 Note Rate in effect for such Interest Accrual Period and (ii) the aggregate principal amount of Series 2007-1 Notes Outstanding as of the close of business on such day divided by (b) 360.

(g) Series Additional Interest Amount. Any Series 2007-1 Monthly Extension Period Contingent Additional Interest and Series 2007-1 Post-ARD Contingent Additional Interest shall be deemed a Series Additional Interest Amount as specified in Section 5.1(b).

(h) Series Legal Final Maturity Date. The Payment Date occurring in March 2037.

(i) Ranking of Series 2007-1 Notes. Series 2007-1 Notes rank *pari passu* as to principal and interest with Series 2007-2 Notes and will at all times rank no less than *pari passu* as to principal and interest with any other Series of Notes.

(j) Series Insurer Make-Whole Premium. The Insurer Make-Whole Premium relating to the Series 2007-1 Notes shall be as specified in the Premium Letter, dated as of the Closing Date, among the Co-Issuers and the Series Insurer.

(k) Series Optional Redemption Premium. The Series Optional Redemption Premium payable to Holders of the Series 2007-1 Notes upon Optional Redemption of any Series 2007-1 Notes will be an amount equal to the excess, if any, of (a) the discounted present value as of the related Series 2007-1 Optional Redemption Premium Calculation Date of such Series 2007-1 Optional Principal Redemption Amount as if paid on the Payment Date occurring three months before the Series 2007-1 Anticipated Repayment Date and the amount of interest that would have been payable thereon after the applicable Optional Redemption Date to but not including the Payment Date occurring three months before the Series 2007-1 Anticipated Repayment Date, utilizing a discount rate equal to the Applicable Treasury Rate plus 0.25%, over (b) such Series 2007-1 Optional Principal Redemption Amount. All calculations of the Series Optional Redemption Premium shall be calculated based on a 360-day year of twelve 30-day months.

“Applicable Treasury Rate” means the per annum interest rate borne by a U.S. Treasury obligation with a tenor that is equal to the remaining Series 2007-1 Anticipated Life as of such Series 2007-1 Optional Redemption Premium Calculation Date, such discount rate to be converted to a monthly equivalent rate. The Applicable Treasury Rate will be determined, if necessary, by interpolating linearly between yields reported for various maturities if no maturity corresponds to the applicable remaining Series 2007-1 Anticipated Life. For purposes of such calculations, the Series 2007-1 Anticipated Life will be based on the period of time between such

Series 2007-1 Optional Redemption Premium Calculation Date and the Payment Date occurring three months before the Series 2007-1 Anticipated Repayment Date.

“Series 2007-1 Optional Redemption Premium Calculation Date” means the date on which the applicable Series Optional Redemption Premium, if any, to be paid in connection with an Optional Redemption will be calculated, which calculation date shall be no earlier than the fifth Business Day before the applicable Optional Redemption Date.

“Series 2007-1 Optional Principal Redemption Amount” means with respect to any Optional Redemption Date the Aggregate Outstanding Principal Amount of Series 2007-1 Notes to be redeemed.

“Series 2007-1 Anticipated Life” means, with respect to any date, the period of time between such date and the Payment Date occurring three (3) months prior to the Series 2007-1 Anticipated Repayment Date.

(l) Series Minimum Debt Service Coverage Ratio. The Series Minimum Debt Service Coverage Ration applicable to the Series 2007-1 Notes shall be 1.50x.

(m) Series IHOP Corp. Consolidated Ratio Threshold. The Series IHOP Corp. Consolidated Ratio Threshold applicable to the Series 2007-1 Notes shall be 7.00x.

(n) Series Trigger Reserve Proportions and Related Series DSCR Trigger Reserve Account Deposit Threshold Ranges. On each Weekly Allocation Date, a Series Trigger Reserve Proportion of (A) 40% shall be applicable if the Series Debt Service Coverage Ratio determined as of the immediately preceding Accounting Date is less than 1.85x and greater than or equal to 1.65x and (B) 80% shall be applicable if the Series Debt Service Coverage Ratio determined as of the immediately preceding Accounting Date is less than 1.65x.

(o) Series Trigger Reserve Release Event. With respect to any Payment Date that occurs during a Series Trigger Reserve Period, a Series Trigger Reserve Release Event relating to the Series 2007-1 Notes shall occur if (A) (i) the least of the Series Debt Service Coverage Ratios relating to the Series 2007-1 Notes as was determined as of each of the preceding three Accounting Dates is greater than or equal to 1.65x and (ii) the Series Debt Service Coverage Ratio relating to the Series 2007-1 Notes as was determined as of the fourth preceding Accounting Date was less than 1.65x or (B) (i) the least of the Series Debt Service Coverage Ratios relating to the Series 2007-1 Notes as was determined each of the preceding three Accounting Dates is greater than or equal to 1.85x and (ii) the Series Debt Service Coverage relating to the Series 2007-1 Notes as was determined as of the fourth preceding Accounting Date was less than 1.85x; provided, that no Series Trigger Reserve Release Event relating to the Series 2007-1 Notes shall occur prior to the Payment Date occurring in September 2007, or if a Default, Event of Default, Servicer Termination Event or a Mandatory Redemption Event relating to the Series 2007-1 Notes is continuing.

(p) Series Trigger Reserve Release Amount. The Series Trigger Reserve Release Amount with respect the Series 2007-1 Notes shall be equal to the amount, if any, by which (a) the amount then on deposit in the Series 2007-1 Trigger Reserve Account exceeds (b) the Release Ratio Amount.

For purposes of this Series Supplement, the “Release Ratio Amount” is the amount of funds that would have been deposited to the Series 2007-1 Trigger Reserve Account during a Series Trigger Reserve Period had the Series Debt Service Coverage Ratio during such Series Trigger Reserve Period been equal to the least of the Series Debt Service Coverage Ratios relating to the Series 2007-1 Notes as was determined as of any of the immediately preceding three Accounting Dates, following a Series Trigger Reserve Release Event.

For purposes of this Series Supplement, “Series Trigger Reserve Period” means a period that commences on the first Accounting Date on which the Series Debt Service Coverage Ratio with respect to the Series 2007-1 Notes is less than 1.85x and ending on the first subsequent Accounting Date on which the Series Debt Service Coverage Ratio determined as of such Accounting Date and the immediately preceding two Accounting Dates is equal to or greater than 1.85x.

(q) Series Interest Reserve Release Event. On any Payment Date, a Series Interest Reserve Release Event relating to the Series 2007-1 Notes occurs when the amount on deposit in the Series 2007-1 Interest Reserve Account is greater than the Series Interest Reserve Required Amount applicable to the Series 2007-1 Notes; *provided*, that no Series Interest Reserve Release Event relating to the Series 2007-1 Notes shall occur prior to Payment Date occurring in September 2007, or if a Servicer Termination Event, Default, Event of Default or a Mandatory Redemption Event relating to the Series 2007-1 Notes is continuing.

(r) Series Interest Reserve Release Amount. The Series Interest Reserve Release Amount shall be the excess of the amount on deposit in the Series 2007-1 Interest Reserve Account over the Series Interest Reserve Account Required Amount.

(s) Additional Issuance Series DSCR Threshold. The Additional Issuance Series DSCR Threshold applicable to the Series 2007-1 Notes shall be 2.50x.

(t) Defective Asset Payment Series DSCR Threshold. The Defective Asset Payment Series DSCR Threshold applicable to Series 2007-1 Notes shall be 3.50x.

(u) Ste Series DSCR Threshold. The STE Series DSCR Threshold applicable to the Series 2007-1 Notes shall be 1.25x

(v) EOD Series DSCR Threshold. The EOD Series DSCR Threshold applicable to the Series 2007-1 Notes shall be 1.25x.

(w) Unhedged Floating Rate Principal Limit. The Unhedged Floating Rate Principal Limit applicable with respect to the Series 2007-1 Notes shall be \$50,000,000.

(x) Other Provisions. Payment of interest (but not any Series Optional Redemption Premium, Overdue Interest relating to Series 2007-1 Notes, Series 2007-1 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-1 Monthly Post-ARD Contingent Additional Interest Amount or any other similar amounts above the 2007-1 Series Note Interest Rate) on the Series 2007-1 Notes when due and the full payment of principal of the Series 2007-1 Notes at the Legal Final Maturity Date is guaranteed by the Series Insurer pursuant to and in accordance with the Insurance Policy and the Insurance Agreement.

## ARTICLE VI

### RATIFICATION AND INCORPORATION OF BASE INDENTURE

Except as otherwise expressly provided herein, all of the provisions, terms and conditions of the Base Indenture are in all respects ratified and confirmed, and hereby incorporated by reference; and the Base Indenture as so incorporated and modified by this Series Supplement shall be taken, read and construed together with this Series Supplement as one and the same instrument.

## ARTICLE VII

### FORM OF NOTES

The form of the Series 2007-1 Notes, including the Certificate of Authentication, shall be substantially as set forth as Exhibits A-1, A-2 and A-3 to this Series Supplement, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Base Indenture or this Series Supplement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may be consistent herewith, determined by the Authorized Officers of the Co-Issuers executing such Notes as evidenced by their execution of such Notes.

The certificates evidencing the Series 2007-1 Notes will bear legends substantially to the following effect unless the co-issuers determine otherwise in compliance with applicable law.

THIS SERIES 2007-1 FIXED RATE TERM NOTE DUE 2037 (THIS “NOTE”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER RELEVANT JURISDICTION, AND NEITHER IHOP FRANCHISING, LLC NOR IHOP IP, LLC (THE “CO-ISSUERS”) HAVE BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). THIS NOTE OR ANY INTEREST HEREIN MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO A PERSON WHO IS NOT A COMPETITOR AND (B)(I) IN THE UNITED STATES TO EITHER AN INITIAL PURCHASER OR A SUBSEQUENT TRANSFEREE WHO IS BOTH A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) AND A “QUALIFIED PURCHASER” (WITHIN THE MEANING OF THE INVESTMENT COMPANY ACT), ACTING FOR ITS OWN ACCOUNT OR ONE OR MORE ACCOUNTS WITH RESPECT TO WHICH SUCH INITIAL PURCHASER OR SUBSEQUENT TRANSFEREE EXERCISES SOLE INVESTMENT DISCRETION, EACH OF WHICH IS BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER, AND NONE OF WHICH ARE (X) A DEALER OF THE TYPE DESCRIBED IN PARAGRAPH (a)(1)(ii) OF RULE 144A UNLESS IT OWNS AND INVESTS ON A DISCRETIONARY BASIS NOT LESS THAN \$25,000,000 IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED TO IT, (Y) A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN, OR ANY

OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A, OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, OR (Z) FORMED FOR THE PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), OR (II) OUTSIDE THE UNITED STATES TO AN INITIAL PURCHASER OR A SUBSEQUENT TRANSFEREE WHO IS A QUALIFIED PURCHASER AND NEITHER A “U.S. PERSON” AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”) NOR A “U.S. RESIDENT” AS DEFINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT, ACTING FOR ITS OWN ACCOUNT OR ONE OR MORE ACCOUNTS WITH RESPECT TO WHICH SUCH INITIAL PURCHASER OR SUBSEQUENT TRANSFEREE EXERCISES SOLE INVESTMENT DISCRETION, EACH OF WHICH IS A QUALIFIED PURCHASER, AND NONE OF WHICH ARE A U.S. PERSON OR A U.S. RESIDENT, IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, AND, IN EACH CASE, IN COMPLIANCE WITH THE CERTIFICATIONS AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR THE UNITED STATES AND ANY OTHER RELEVANT JURISDICTION. EACH INITIAL PURCHASER AND EACH SUBSEQUENT TRANSFEREE TAKING DELIVERY OF THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO HAVE MADE THE APPLICABLE REPRESENTATIONS AND AGREEMENTS REFERRED TO IN THE INDENTURE. EACH INITIAL PURCHASER AND EACH SUBSEQUENT TRANSFEREE TAKING DELIVERY OF THIS NOTE OR AN INTEREST IN THIS NOTE IN THE FORM OF AN INTEREST IN A [REGULATION S GLOBAL NOTE] [RESTRICTED NOTE] OR [AN UNRESTRICTED NOTE] WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE REQUIRED TO MAKE THE APPLICABLE REPRESENTATIONS AND AGREEMENTS REFERRED TO IN THE INDENTURE.

ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT AND WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE INITIAL PURCHASER OR SUBSEQUENT TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE CO-ISSUERS, THE TRUSTEE OR ANY INTERMEDIARY.

THE CO-ISSUERS MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER AT THE TIME OF ACQUISITION OF THIS NOTE TO SELL THIS NOTE TO A PERSON WHO IS (I) BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) A QUALIFIED PURCHASER IN A TRANSFER PURSUANT TO RULE 144 UNDER THE SECURITIES ACT OR (III) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

The certificates evidencing the Series 2007-1 Notes that are Regulation S Global Notes will also bear legends substantially to the following effect unless the Co-Issuers determine otherwise in compliance with applicable law:

UNTIL 40 DAYS AFTER THE ORIGINAL ISSUE DATE OF THE NOTES (THE “RESTRICTED PERIOD”) IN CONNECTION WITH THE OFFERING OF THE NOTES IN THE UNITED STATES FROM OUTSIDE OF THE UNITED STATES, THE SALE, PLEDGE OR TRANSFER OF THIS NOTE IS SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE ACQUIRING THIS NOTE, ACKNOWLEDGES THAT SUCH HOLDER IS A QUALIFIED PURCHASER, AND THAT THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND AGREES FOR THE BENEFIT OF THE CO-ISSUERS THAT THIS NOTE MAY BE TRANSFERRED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A QUALIFIED PURCHASER AND IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS OF THE STATES, TERRITORIES AND POSSESSIONS OF THE UNITED STATES GOVERNING THE OFFER AND SALE OF SECURITIES, AND PRIOR TO THE EXPIRATION OF THE RESTRICTED PERIOD, ONLY (I) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (II) PURSUANT TO AND IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT.

Each Series 2007-1 Note in global form will bear a legend substantially to the following effect unless the Co-Issuers determine otherwise in compliance with applicable law:

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY (“DTC”), A NEW YORK CORPORATION, 55 WATER STREET, NEW YORK, NEW YORK 10004, OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE CO-ISSUERS OR THE REGISTRAR, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE THE REGISTERED OWNER, CEDE & CO., HAS AN INTEREST HEREIN.

**ARTICLE VIII**

**GOVERNING LAW**

THIS SERIES SUPPLEMENT AND EACH OF THE SERIES 2007-1 NOTES SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

## **ARTICLE IX**

### **EXECUTION IN COUNTERPARTS; EFFECTIVE TIME**

This Series Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. This Series Supplement shall become effective upon the execution of a counterpart hereof by the Co-Issuers, the Indenture Trustee and the Series Insurer.

## **ARTICLE X**

### **MODIFICATION OF SERIES SUPPLEMENT**

This Series Supplement may not be modified except by a writing executed by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Series Supplement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

IHOP FRANCHISING, LLC, as Issuer

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

IHOP IP, LLC, as Co-Issuer

By: /s/ THOMAS G. CONFORTI  
Name: Thomas G. Conforti  
Title: Vice President

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, not in its individual  
capacity, but solely as Indenture Trustee

By: /s/ BENJAMIN J. KRUEGER  
Name: Benjamin J. Krueger  
Title: Vice President

FINANCIAL GUARANTY INSURANCE COMPANY, as Series  
Insurer

By: /s/ DEREK DONNELLY  
Name: Derek Donnelly  
Title: Director



IHOP FRANCHISING, LLC,  
as Issuer

IHOP IP, LLC,  
as Co-Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
Indenture Trustee

and

FINANCIAL GUARANTY INSURANCE COMPANY  
Series Insurer

SERIES SUPPLEMENT

**for the Series 2007-2 Variable Funding Notes**

March 16, 2007

This Series Supplement (the “Series Supplement” or the “Series 2007-2 Series Supplement”) is dated March 16, 2007 and is made among IHOP Franchising, LLC, a Delaware limited liability company (the “Issuer”), IHOP IP, LLC, a Delaware limited liability company (the “Co-Issuer” and, together with the Issuer, the “Co-Issuers”), Wells Fargo Bank, National Association, as indenture trustee (herein, together with its permitted successors in the trusts under the Indenture, called the “Indenture Trustee”), and Financial Guaranty Insurance Company, a New York insurance company, as insurer as to the Notes issued pursuant to this Series Supplement (the “Series Insurer”).

WITNESSETH:

WHEREAS, the Issuer, the Co-Issuer and the Indenture Trustee have entered into the Base Indenture (the “Base Indenture”), dated as of the Closing Date providing for the issuance from time to time of one or more series of Notes, as provided therein.

WHEREAS, the Issuer has determined to issue a Series of Notes consisting of up to \$25,000,000 Variable Funding Notes (the “Series 2007-2 Notes”);

WHEREAS, the Co-Issuers and the Indenture Trustee are executing and delivering this Series Supplement in order to create and provide for the Series 2007-2 Notes;

WHEREAS, the Co-Issuers, International House of Pancakes, Inc., Wells Fargo Bank, National Association, certain conduit investors, certain financial institutions and certain funding agents have executed and delivered the Series 2007-2 Note Purchase Agreement (the “Series 2007-2 Note Purchase Agreement”), dated as of the date hereof; and

WHEREAS, the Series 2007-2 Notes are to be insured by the Series Insurer in accordance with the Insurance Policy (the “Insurance Policy”) of the Series Insurer, dated as of the Closing Date and the Series Insurer is executing this Series Supplement in order to acknowledge and confirm its rights and obligations relating to the Series 2007-2 Notes as provided by the Indenture, the Series 2007-2 Notes, the Insurance Policy and under the Insurance and Indemnification Agreement (the “Insurance Agreement”), dated as of the Closing Date, among the Co-Issuers, the Series Insurer, IHOP Corp., International House of Pancakes, Inc., IHOP Holdings LLC and the Indenture Trustee.

NOW, THEREFORE, in consideration of mutual covenants and agreements and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I**

**DEFINITIONS**

Capitalized terms used herein without definition shall have the meanings given to such terms in the Base Indenture.

**ARTICLE II**

**[RESERVED]**

**ARTICLE III**

**CREATION OF SERIES 2007-2 NOTES; TERMS AND CONDITIONS**

There is hereby created for issuance under this Series Supplement, upon and subject to the conditions set forth in Article IV below, a Series of Notes designated the Series 2007-2 Variable Funding Notes (the “Series 2007-2 Notes”). The Series 2007-2 Notes shall be a Senior Series of Notes for purposes of the Indenture. The Series 2007-2 Notes shall be governed by the terms set forth in the Base Indenture and this Series Supplement.

**ARTICLE IV**

**CONDITIONS TO ISSUANCE**

The Series 2007-2 Notes shall be issued only upon (a) the satisfaction of the conditions precedent in the Base Indenture (including but not limited to those set forth in Section 2.3 and Article III) and (b) receipt by the Indenture Trustee of the following:

- (i) counterparts of this Series Supplement executed and delivered by the Co-Issuers, the Indenture Trustee and the Series Insurer;
- (ii) a Company Order authorizing and directing the authentication and delivery of the Series 2007-2 Notes by the Indenture Trustee on the terms contained in this Series Supplement on the date specified in such Company Order;
- (iii) the Insurance Policy and the Insurance Agreement relating to the Series 2007-2 Notes;
- (iv) written confirmation that the Series 2007-2 Notes will be rated “Aaa” by Moody’s and “AAA” by S&P upon issuance; and
- (v) written confirmation that the Series 2007-2 Notes will receive a shadow rating (exclusive of the effect of any Insurance Policy) of at least “Baa3” by Moody’s and at least “BBB-” by S&P upon issuance.

## ARTICLE V

### INITIAL ISSUANCE, INCREASES AND DECREASES OF SERIES 2007-2 NOTES OUTSTANDING PRINCIPAL AMOUNT AND REDEMPTION OF SERIES 2007-2 NOTES

Section 5.1      Procedures for Issuing and Increasing the Series 2007-2 Notes Outstanding Principal Amount. Subject to satisfaction of the conditions precedent to the making of Series 2007-2 Advances set forth in the Series 2007-2 Note Purchase Agreement, (i) on the Closing Date, the Co-Issuers may cause the 2007-2 Initial Advance Principal Amount to become outstanding by drawing ratably, at par, on the basis of Commitment Percentage as set forth in the Series 2007-2 Note Purchase Agreement, the initial principal amounts of the Series 2007-2 Advance Notes corresponding to the aggregate amount of the Series 2007-2 Advances made on the Series 2007-2 Closing Date (the “Series 2007-2 Initial Advance”) and (ii) on any Business Day during the Series 2007-2 Commitment Term, the Co-Issuers may increase the Series 2007-2 Outstanding Principal Amount (such increase referred to as an “Increase”), by drawing ratably, at par, on the basis of Commitment Percentage as set forth in the Series 2007-2 Note Purchase Agreement, additional principal amounts on the Series 2007-2 Advance Notes corresponding to the aggregate amount of the Series 2007-2 Advances made on such Business Day; provided that at no time may the Series 2007-2 Aggregate Outstanding Principal Amount exceed the Series 2007-2 Maximum Principal Amount. The 2007-2 Initial Advance and each Increase shall be made in accordance with the provisions of Sections 2.02 and 2.03 of the Series 2007-2 Note Purchase Agreement and shall be ratably allocated among the Series 2007-2 Noteholders as provided therein. Proceeds from the 2007-2 Initial Advance and each Increase shall be paid as directed by the Co-Issuers in the applicable Series 2007-2 Advance Request or as otherwise set forth in the Series 2007-2 Note Purchase Agreement. Upon receipt of written notice from the Co-Issuers or the Administrative Agent of the 2007-2 Initial Advance and any Increase, the Indenture Trustee shall indicate in its books and records the amount of the Series 2007-2 Initial Advance or such Increase, as applicable.

Section 5.2      Procedures for Decreasing the Series 2007-2 Outstanding Principal Amount; Optional Redemption.

(a)      Mandatory Decrease. Upon a Mandatory Redemption Event relating to the Series 2007-2 Notes under Section 9.1 of the Base Indenture, the Co-Issuers shall redeem Series 2007-2 Notes pursuant to Section 9.1 of the Base Indenture (a “Mandatory Decrease”). Such Mandatory Decrease shall be allocated among the Series 2007-2 Noteholders ratably on the basis of Commitment Percentage as set forth in the Series 2007-2 Note Purchase Agreement. In connection thereto, the Co-Issuers shall direct the Indenture Trustee in writing to distribute (i) the Mandatory Redemption Amount equal to the amount of such Mandatory Decrease in accordance with Section 9.1 of the Base Indenture *plus* (ii) any associated fees incurred as a result of such decrease under the Series 2007-2 Note Purchase Agreement.

(b)      Voluntary Decrease. On any Business Day (a “Decrease Date”), upon at least three (3) Business Day’s prior written notice to each Series 2007-2 Investor, the Series 2007-2 Administrative Agent, the Indenture Trustee and the Series Insurer, the Co-Issuers may decrease the Series 2007-2 Outstanding Principal Amount (each such decrease of the

Series 2007-2 Outstanding Principal Amount pursuant to this Section 5.2(b), a “Voluntary Decrease,” and together with any Mandatory Decrease, a “Decrease”) by depositing in the Series 2007-2 Principal Payment Account on the Business Day preceding the date specified as the Decrease Date in the prior written notice referred to above and providing a written report to the Indenture Trustee directing the Indenture Trustee to distribute ratably on the basis of Commitment Percentage as set forth in the Series 2007-2 Note Purchase Agreement (i) an amount (subject to the last sentence of this Section 5.2(b)) up to the Series 2007-2 Outstanding Principal Amount equal to the amount of such Voluntary Decrease, *plus* (ii) any associated fees incurred as a result of such decrease under the Series 2007-2 Note Purchase Agreement.

(c) Notations. Upon distribution to the Series 2007-2 Noteholders of principal of the Series 2007-2 Advance Notes in connection with each Decrease, the Indenture Trustee shall indicate in its books and records such Decrease.

(d) Optional Redemption of the Series 2007-2 Notes. Subject to the 2007-2 Note Purchase Agreement, the Series 2007-2 Notes shall be subject to redemption (in whole or in part) by the Co-Issuers at their option in accordance with Section 9.2 of the Base Indenture. The Optional Redemption Price for the Series 2007-2 Notes shall equal the sum of (a) the Aggregate Outstanding Principal Balance of such Series 2007-2 Notes (determined after giving effect to any payments of principal and interest on the Payment Date immediately preceding the date of redemption pursuant to this Section 5.2(d)) *plus* (b) (i) with respect to the portion of such principal balance which was funded with Class A Commercial Paper (as defined in the Series 2007-2 Note Purchase Agreement) issued at a discount, all accrued and unpaid discount on such Class A Commercial Paper (as defined in the Series 2007-2 Note Purchase Agreement) from the issuance date(s) thereof to the date of redemption under this Section 5.2(d) and the aggregate discount to accrue on such Class A Commercial Paper (as defined in the Series 2007-2 Note Purchase Agreement) from the date of redemption under this Section 5.2(d) to the maturity date of such Class A Commercial Paper (as defined in the Series 2007-2 Note Purchase Agreement) less the interest on such amount accrued during such period at a per annum rate equal to the Series 2007-2 Note Rate or (ii) with respect to the portion of such principal balance which was funded with Class A Commercial Paper (as defined in the Series 2007-2 Note Purchase Agreement) that was not issued at a discount, all accrued and unpaid interest on such Class A Commercial Paper (as defined in the Series 2007-2 Note Purchase Agreement) from the issuance date(s) thereof to the date of redemption under this Section 5.2(d) (and any breakage costs associated with the prepayment of such interest-bearing Class A Commercial Paper (as defined in the Series 2007-2 Note Purchase Agreement)) or (iii) with respect to the portion of such principal balance which was funded other than with Class A Commercial Paper (as defined in the Series 2007-2 Note Purchase Agreement), all accrued and unpaid interest on such principal balance through the date of redemption under this Section 5.2(d), *plus* (c) any other amounts then due and payable to the Holders of such Series 2007-2 Notes pursuant hereto and pursuant to the Series 2007-2 Note Purchase Agreement. As a condition precedent to any redemption thereof, on or prior to the date on which any Series 2007-2 Note is redeemed by the Co-Issuer pursuant to this Section 5.2(d), the Co-Issuers shall pay the Series Insurer all amounts owed to the Series Insurer relating to such Note. For the avoidance of doubt, a Voluntary Decrease in respect of the Series 2007-2 Notes is governed by Section 5.2(b) of this Series Supplement and not by this Section 5.2(d).

**ARTICLE VI**  
**PRINCIPAL TERMS**

Section 6.1      Series 2007-2 Note Interest Amount, Fees and Closing Date.

(a)      Series 2007-2 Note Interest Amount. The Series 2007-2 Note Interest Amount shall be payable in arrears on each Payment Date commencing on April 20, 2007 as the Series Interest Payment Amount relating to the Series 2007-2 Notes. The “Series 2007-2 Note Interest Amount” shall be an amount equal to interest accrued on applicable portions of the Series 2007-2 Note Aggregate Outstanding Principal Amount as provided in Section 3.01 or 2.06 (as applicable) of the 2007-2 Note Purchase Agreement. For purposes of this Series Supplement, the rate of interest accrued pursuant to Sections 2.06 or 3.01 of the 2007-2 Note Purchase Agreement (as applicable) is hereby defined as the “Series 2007-2 Note Interest Rate”.

(b)      Series 2007-2 Note Fees. From and after the Series 2007-2 Closing Date, Series 2007-2 Note Fees (“Series 2007-2 Note Fees”) shall include such costs and expenses that will accrue (i) as provided in Sections 3.02, 3.05, 3.06, 3.07, 3.08 and 9.05 of the Series 2007-2 Note Purchase Agreement and (ii) as otherwise provided in this Series Supplement or the Series 2007-2 Note Purchase Agreement (other than interest). Such accrued fees will be due and payable in arrears on each Payment Date, commencing on April 20, 2007. To the extent any such amount is not paid when due, such unpaid amount will accrue interest at the applicable Base Rate (as defined in the Series 2007-2 Note Purchase Agreement). Such Series 2007-2 Note Fees will be included in the Series Fee Payment Amount relating to the Series 2007-2 Notes with respect to Section 11.1(c) of the Base Indenture.

(c)      Series 2007-2 Contingent Additional Interest Amounts. The “Series 2007-2 Monthly Extension Period Contingent Additional Interest Amount” shall be, with respect to any Interest Accrual Period occurring within a Series 2007-2 Extension Period (as defined below), an amount of additional interest on the Series 2007-2 Outstanding Principal Amount (giving effect to all payments of principal made to Holders of such Series of Notes during such Interest Accrual Period and Increase or Decrease made during such Interest Accrual Period) accrued over the preceding Interest Accrual Period at an annual rate equal to 0.25%, calculated based on a 360-day year of twelve 30-day months. The “Series 2007-2 Monthly Post-ARD Contingent Additional Interest Amount” shall be, from and after the Series 2007-2 Anticipated Repayment Date if the Series 2007-2 Final Payment has not been made, an amount of additional interest on the Series 2007-2 Outstanding Principal Amount (giving effect to all payments of principal made to Holders of such Series of Notes during such Interest Accrual Period and any Increase or Decrease made during such Interest Accrual Period) accrued over the preceding Interest Accrual Period at an annual rate equal to 0.25%, calculated based on a 360-day year of twelve 30-day months. Any Series 2007-2 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-2 Monthly Post-ARD Contingent Additional Interest Amount (as applicable) is due and payable following accrual as and when amounts are made available for payment thereof in accordance with the Base Indenture, but such amounts will not be considered insured amounts under the Series 2007-2 Insurance Policy and failure to pay any Series 2007-2 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-2 Monthly Post-ARD Contingent Additional Interest Amount (as applicable) shall

not be an Event of Default and Additional Interest will not accrue on any unpaid portion thereof; provided, that all accrued but unpaid Series 2007-2 Monthly Extension Period Contingent Additional Interest or Series 2007-2 Monthly Post-ARD Contingent Additional Interest (as applicable) shall be paid in full on the Series 2007-2 Legal Final Maturity Date, on any Payment Date with respect to a prepayment in full of the Series 2007-2 Notes or on any other day on which all of the Series 2007-2 Notes are required to be paid in full. For purposes of Article X and Article XI of the Base Indenture, any Series 2007-2 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-2 Monthly Post-ARD Contingent Additional Interest Amount, as applicable, shall be deemed a Series Additional Interest Payment Amount and shall not be insured by the Series Insurer.

“Series 2007-2 Final Payment” means the payment of all accrued and unpaid interest on and principal of all Outstanding Series 2007-2 Notes, the payment of all accrued and unpaid Series 2007-2 Insurer Premiums and Insurer Reimbursements and Insurer Expenses and any and all other amounts due or that may become due to the Insurer in connection with the Series 2007-2 Notes, the payment of all fees and expenses and other amounts then due and payable under the Series 2007-2 Note Purchase Agreement and the termination in full of all Series 2007-2 Commitments. For the avoidance of doubt, occurrence of the Series 2007-2 Final Payment shall not prejudice the rights of the Insurer under the Indenture or the Insurance Agreement with respect to any amounts owed to the Insurer constituting Insurer Premiums, Insurer Reimbursements and Insurer Expenses that remain unpaid.

(d) Series 2007-2 Closing Date. The Closing Date shall be March 16, 2007 (the “Closing Date” or the “Series 2007-2 Closing Date”).

(e) Series 2007-2 Initial Interest Accrual Period. The Initial Interest Accrual Period for the Series 2007-2 Notes shall commence on the Closing Date and end on April 19, 2007.

#### Section 6.2 Payment of 2007-2 Note Principal.

(a) Series 2007-2 Notes Principal Payment at Legal Maturity. The Series 2007-2 Outstanding Principal Amount shall be due and payable on the Series 2007-2 Legal Final Maturity Date.

(b) Series 2007-2 Anticipated Repayment Date. The Series Anticipated Repayment Date for the Series 2007-2 Notes shall be the Payment Date occurring in March 2012, unless extended as provided below in this Section 6.2 (such date, the “Series 2007-2 Anticipated Repayment Date”).

(i) First Extension Election. Subject to the conditions set forth in Section 6.2(b)(iii) of this Series Supplement, the Co-Issuers, shall have the option on or before the Payment Date occurring in September 2011 to elect (the “Series 2007-2 First Extension Election”) to extend the Series 2007-2 Anticipated Repayment Date to the Payment Date occurring in March 2013 by delivering written notice to the Indenture Trustee, the Administrative Agent, the Series 2007-2 Noteholders and the Series Insurer;

(ii) Second Extension Election. Subject to the conditions set forth in Section 6.2(b)(iii) of this Series Supplement, if the Series 2007-2 First Extension Election has been made and becomes effective, the Co-Issuers, shall have the option on or before the Payment Date occurring in September 2012 to elect (the “Series 2007-2 Second Extension Election”) to further extend the Series 2007-2 Anticipated Repayment Date to the Payment Date occurring in September 2014 (the “Series 2007-2 Second Extended Anticipated Repayment Date”) by delivering written notice to the Indenture Trustee, the Administrative Agent, the Series 2007-2 Noteholders and the Series Insurer.

(iii) Conditions Precedent to Extension Elections. It shall be a condition to the effectiveness of the Series 2007-2 Extension Elections that, in the case of the Series 2007-2 First Extension Election, on the Accounting Date occurring in February 2012 (the “First Extension Determination Date”) or in the case of the Series 2007-2 Second Extension Election, on the Accounting Date occurring in February 2013 (the “Second Extension Determination Date”), (a) (i) the Series Debt Service Coverage Ratio is greater than or equal to 2.50x, or, (ii) unless the Series Debt Service Coverage Ratio is equal to or greater than 2.50x, the Indenture Trustee has received the written consent of the Series Controlling Party relating to the Series 2007-2 Notes to such extension, (b) no Mandatory Redemption Event relating to the Series 2007-2 Notes, Default or Event of Default (or an event which with the lapse of time or giving of notice would be such a Mandatory Redemption Event, Default or Event of Default) has occurred and is continuing or would be a direct and immediate consequence of such extension; and (c) IHOP System-wide Sales are greater than or equal to \$2,100,000,000.

For purposes of this Series Supplement, a “Series 2007-2 Extension Period” means, as applicable, (a) the period from and including the Payment Date occurring in March 2012 to and excluding the Payment Date occurring in March 2013 following a Series 2007-2 First Extension Election and subject to the satisfaction of all the conditions required for such extension as of the First Extension Determination Date or (b) the period from and including the Payment Date occurring in March 2013 to and excluding the Payment Date occurring in March 2014 following a Series 2007-2 Second Extension Election and subject to the satisfaction of all of the conditions required for such extension as of the Second Extension Determination Date.

For purposes of this Series Supplement, “IHOP System-wide Sales” means retail sales during the fiscal year preceding the First Extension Determination Date or the Second Extension Determination Date, as the case may be, of IHOP Restaurants operated by Franchisees, Area Licensees, and IHOP Corp or any Affiliate thereof.

(iv) Any notice given pursuant to Section 6.2(b)(i) or (ii) of this Series Supplement shall be irrevocable; provided that if the conditions set forth in this Section 6.2(b)(iii) are not met by the applicable date, the election set forth in such notice shall automatically be deemed ineffective.

(v) Pursuant to and in accordance with the Insurance Policy and Premium Letter, in connection with the Series 2007-2 Notes, any such extension will result in an



increase in premium as set forth in the Premium Letter (as defined below) in connection with the Series 2007-2 Notes.

(c) Series 2007-2 Notes Mandatory Payments of Principal. The Series 2007-2 Notes shall be subject to Mandatory Redemption as provided under Section 9.1 of the Base Indenture.

(d) Series 2007-2 Notices of Final Payment. The Co-Issuers shall notify the Indenture Trustee, the Administrative Agent, the Series Insurer and the Rating Agencies on or before the Record Date preceding the Payment Date which will be the Series 2007-2 Anticipated Repayment Date; provided, however, that with respect to any final payment that is made in connection with any mandatory or optional redemption in full, the Co-Issuers shall not be obligated to provide any additional notice to the Indenture Trustee, the Administrative Agent, the Series Insurer or the Rating Agencies of such final payment beyond the notice required to be given in connection with such redemption under Article IX of the Base Indenture. The Indenture Trustee shall provide written notice to each person in whose name a Series 2007-2 Note is registered at the close of business on such Record Date that the immediately succeeding Payment Date will be the Series 2007-2 Anticipated Repayment Date. Such written notice to be sent to the Series 2007-2 Noteholders shall be made at the expense of the Co-Issuers and shall be mailed by the Indenture Trustee within five (5) Business Days of receipt of notice from the Co-Issuers indicating that the final payment will be made and shall specify that such final payment will be payable only upon presentation and surrender of the Series 2007-2 Notes and shall specify the place where the Series 2007-2 Notes may be presented and surrendered for such final payment.

Section 6.3 Other Principal Terms of the Series 2007-2 Variable Funding Notes. The Series 2007-2 Notes shall have the following Principal Terms:

(a) Series Designation. Series 2007-2 Variable Funding Notes.

(b) Initial Series Aggregate Principal Amount. The Initial Series Aggregate Outstanding Principal Amount for the Series 2007-2 Notes shall be \$25,000,000.

(c) Maximum Series Aggregate Principal Amount. The maximum Aggregate Outstanding Principal Amount for the Series 2007-2 Notes shall be \$25,000,000.

(d) Series Insurance Premium Payable Amount. The Series Insurance Premium Payable Amount for Series 2007-2 Notes shall be as set forth in the Premium Letter, dated as of the Closing Date, between the Co-Issuers and the Series Insurer.

(e) Series Specific Accounts Established Pursuant to Article X of the Base Indenture:

- (i) Series 2007-2 Interest Payment Account;
- (ii) Series 2007-2 Principal Payment Account;
- (iii) Series 2007-2 Interest Reserve Account;

(iv) Series 2007-2 Trigger Reserve Account; and

(v) Series 2007-2 Fee Payment Account.

(f) Series Insurer Optional Redemption Make-Whole Amount. The Insurer Optional Redemption Make-Whole Amount relating to the Series 2007-2 Notes shall be as specified in the Premium Letter, dated as of the Closing Date, among the Co-Issuers and the Series Insurer.

(g) Series Initial Interest Reserve Deposit Amount. \$16,145.33 shall be deposited on the Closing Date to the Series 2007-2 Note Interest Reserve Account.

(h) Undrawn Facility Fee Reserve. For purposes of the Series 2007-2 Notes, on each Payment Date, the Indenture Trustee shall pay any Undrawn Facility Fee accrued and payable under the Series 2007-2 Note Purchase Agreement, *first*, from available funds on deposit in the Series 2007-2 Fee Payment Account, and, *second*, to the extent that available funds on deposit in the Series 2007-2 Fee Payment Account are insufficient for such payment, from the funds deposited in respect of the Undrawn Facility Fee in the Series 2007-2 Interest Reserve Account. Funds deposited in respect of the Undrawn Facility Fee to the Series 2007-2 Interest Reserve Account shall be unavailable for the payment of any Series Interest Payment Amount or Senior Series Insurer Premium Payable Amount relating to the Series 2007-2 Notes.

(i) Series Interest Reserve Account Required Amount. With respect to the Series 2007-2 Notes on each Payment Date and subsequent Weekly Allocation Date up to the next Payment Date, (A) if the Series Debt Service Coverage Ratio determined as of each of the three preceding Accounting Dates is equal to or greater than 2.25x, the Series Interest Reserve Account Required Amount shall be (i) the aggregate amount, without duplication, of the Estimated Daily Reserve Interest Amount for each day of the next Interest Accrual Period *plus* (ii) the Estimated Daily Reserve Undrawn Facility Fee Amount for each day of the next Interest Accrual Period *plus* (iii) the Series Insurer Premium Payable Amount with respect to the Series 2007-2 Notes on the next Payment Date or (B) if the Series Debt Service Coverage Ratio determined as of the as of any of the three preceding Accounting Dates is less than 2.25x, the Series Interest Reserve Account Required Amount shall be the *product* of (i) three (3) and (ii) the amount determined in accordance with (A).

For purposes of this Series Supplement, “Estimated Daily Reserve Interest Amount” means (a) for any day during the first Interest Accrual Period, \$0, (b) for any day during the second Interest Accrual Period, \$0 and (c) for any day during each subsequent other Interest Accrual Period, the average of the Daily Reserve Interest Amount for each day during the most recent prior two consecutive Interest Accrual Periods.

For purposes of this Series Supplement, “Daily Reserve Interest Amount” means, for any day during any Interest Accrual Period, the sum of the following amounts:

(i) with respect to any Eurodollar Advance outstanding on such day, the result of (i) the *product* of (x) the Eurodollar Rate in effect for such Interest Period and (y) the principal amount of such Advance outstanding as of the close of business on such day *divided by* (ii) 360; *plus*

(ii) with respect to any Base Rate Advance outstanding on such day, the result of (i) the *product* of (x) the Base Rate in effect for such day and (y) the principal amount of such Advance outstanding as of the close of business on such day *divided by* (ii) 365 or 366, as applicable; *plus*

(iii) with respect to any CP Advance outstanding on such day, the result of (i) the *product* of (x) the lesser of (A) the CP Rate in effect for such Interest Period and (B) the Eurodollar Rate that would be in effect for such Interest Period if such Advance were a Eurodollar Advance and (y) the principal amount of such Advance outstanding as of the close of business on such day *divided by* (ii) 360.

For purposes of this Series Supplement, “Estimated Daily Reserve Undrawn Facility Fee Amount” means (a) for any day during the first Interest Accrual Period, \$171.61, (b) for any day during the second Interest Accrual Period, \$171.61 and (c) for any day during each subsequent other Interest Accrual Period, the average of the Daily Reserve Undrawn Facility Fee Amount for each day during the most recent prior two consecutive Interest Accrual Periods.

For purposes of this Series Supplement, the “Daily Reserve Undrawn Facility Fee Amount” means the (a) *product* of (i) 0.15% and (ii) the excess of (A) 100% of the Maximum Investor Group Principal Amount (as defined in the Series 2007-2 Note Purchase Agreement) for the related Investor Group (as defined in the Series 2007-2 Note Purchase Agreement) over (B) 100% of the daily average Investor Group Principal Amount (as defined for purposes of the Series 2007-2 Note Purchase Agreement) for the related Investor Group during the related Interest Accrual Period, *divided by* (b) 360.

(j) Series Additional Interest Amount. Any Series 2007-2 Monthly Contingent Extension Period Additional Interest and Series 2007-2 Monthly Post-ARD Contingent Additional Interest shall be deemed a Series Additional Interest Amount as specified in Section 6.1(c).

(k) Series Legal Final Maturity Date. The Payment Date in March 2037.

(l) Series 2007-2 Notes rank *pari passu* as to principal and interest with Series 2007-1 Notes and will at all times rank no less than *pari passu* as to principal and interest of any other Series of Notes.

(m) Series Minimum Debt Service Coverage Ratio. The Series Minimum Debt Service Coverage Ratio applicable to the Series 2007-2 Notes shall be 1.50x.

(n) Series IHOP Corp. Consolidated Ratio Threshold. The Series IHOP Corp. Consolidated Ratio Threshold applicable to the Series 2007-2 Notes shall be 7.00x.

(o) Series Trigger Reserve Proportion and Related Series DSCR Trigger Reserve Account Deposit Threshold Range. On each Payment Date, (A) a Series Trigger Reserve Proportion of 40% shall be applicable if the Series Debt Service Coverage Ratio determined as of the immediately preceding Accounting Date is less than 1.85x and greater or equal to 1.65x, and (B) a Series Trigger Reserve Proportion of 80% shall be applicable if the

Series Debt Service Coverage Ratio determined as of the immediately preceding Accounting Date is less than 1.65x.

(p) Series Trigger Reserve Release Event. With respect to any Payment Date that occurs during a Series Trigger Reserve Period, a Series Trigger Reserve Release Event relating to the Series 2007-2 Notes shall occur if (A) (i) the least of the Series Debt Service Coverage Ratios relating to the Series 2007-2 Notes as was determined as of each of the preceding three Accounting Dates is greater than or equal to 1.65x and (ii) the Series Debt Service Coverage Ratio relating to the Series 2007-2 Notes as was determined as of the fourth preceding Accounting Date was less than 1.65x or (B) (i) the least of the Series Debt Service Coverage Ratios relating to the Series 2007-2 Notes as was determined as of each of the three Accounting Dates is greater than or equal to 1.85x and (ii) the Series Debt Service Coverage relating to the Series 2007-2 Notes as was determined as of the fourth preceding Accounting Date was less than 1.85x; provided, that no Series Trigger Reserve Release Event relating to the Series 2007-2 Notes shall occur prior to the Payment Date occurring in September 2007], or if a Default, Event of Default, Servicer Termination Event or a Mandatory Redemption Event relating to the Series 2007-2 is continuing.

(q) Series Trigger Reserve Release Amount. The Series Trigger Reserve Release Amount shall be equal to the amount, if any, by which (a) the aggregate amount then on deposit in the Trigger Reserve Account relating to the Series 2007-2 Notes exceeds (b) the Release Ratio Amount.

For purposes of this Series Supplement, the Release Ratio Amount is the amount of funds that would have been deposited to the Series 2007-2 Trigger Reserve Account during a Series Trigger Reserve Period had the Series Debt Service Coverage Ratio during such Series Trigger Reserve Period been equal to the least of the Series Debt Service Coverage Ratios relating to the Series 2007-2 Notes as was determined as of any of the immediately preceding three Accounting Dates, following a Series Trigger Reserve Release Event.

For purposes of this Series Supplement, "Series Trigger Reserve Period" means a period that commences on the first Accounting Date on which the Series Average Debt Service Coverage Ratio with respect to the Series 2007-2 Notes is less than 1.85x and ending on the first subsequent Accounting Date on which the Series Debt Service Coverage Ratio determined as of such Accounting Date and the immediately preceding two Accounting Dates is equal to or greater than 1.85x.

(r) Series Interest Reserve Release Event. On any Payment Date with respect to the Series 2007-2 Interest Reserve, a Series Interest Reserve Release Event occurs when the amount on deposit in the Series 2007-2 Interest Reserve Account is greater than the Series Interest Reserve Required Amount applicable to the Series 2007-2 Notes; provided, that no Series Interest Reserve Release Event relating to the Series 2007-2 Notes shall occur prior to the Payment Date occurring in September 2007, or if a Servicer Termination Event, Default, Event of Default or a Mandatory Redemption Event relating to the Series 2007-2 is continuing.

(s) Series Interest Reserve Release Amount. The Series Interest Reserve Release Amount shall be the excess of the amount on deposit in the Series 2007-2 Interest Reserve Account over the Series Interest Reserve Account Required Amount.

(t) Additional Issuance Series DSCR Threshold. The Additional Issuance Series DSCR Threshold applicable to the Series 2007-2 Notes shall be 2.50x.

(u) Defective Asset Payment Series DSCR Threshold. The Defective Asset Payment Series DSCR Threshold applicable to Series 2007-2 Notes shall be 3.50x.

(v) STE Series DSCR Threshold. The STE Series DSCR Threshold applicable to the Series 2007-2 Notes shall be 1.25x

(w) EOD Series DSCR Threshold. The EOD Series DSCR Threshold applicable to the Series 2007-2 Notes shall be 1.25x.

(x) Unhedged Floating Rate Principal Limit. The Unhedged Floating Rate Principal Limit applicable with respect to the Series 2007-2 Notes shall be \$50,000,000.

(y) Use of Advance Proceeds. The proceeds of any advance shall not be used by the Co-Issuers to make payment on the Aggregate Outstanding Principal Amount of any Series of Notes.

(z) Other Provisions. Payment of interest (but not any Overdue Interest relating to the Series 2007-2 Notes, Series 2007-2 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-2 Monthly Post-ARD Contingent Additional Interest Amount or any other similar amounts above the Series Interest Payment Amount relating to the Series 2007-2 Notes) on the Series 2007-2 Notes when due and the full payment of principal of the Series 2007-2 Notes at the Legal Final Maturity Date is guaranteed by the Series Insurer pursuant to and in accordance with the Insurance Policy and the Insurance Agreement.

**ARTICLE VII**

**RATIFICATION AND INCORPORATION OF BASE INDENTURE**

Except and so far as otherwise expressly provided herein, all of the provisions, terms and conditions of the Base Indenture are in all respects ratified and confirmed, and hereby incorporated by reference; and the Indenture as so incorporated and modified by this Series Supplement shall be taken, read and construed together with this Series Supplement as one and the same instrument.

**ARTICLE VIII**

**FORM OF NOTES**

The form of the Series 2007-2 Notes, including the Certificate of Authentication, shall be substantially as set forth as Exhibits A to this Series Supplement, with such appropriate

insertions, omissions, substitutions and other variations as are required or permitted by the Base Indenture or this Series Supplement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may be consistent herewith, determined by the Authorized Officers of the Co-Issuers executing such Notes as evidenced by their execution of such Notes.

The Certificates evidencing the Series 2007-2 will bear legends to the following effect unless the co-issuers determine otherwise in compliance of applicable law.

THIS SERIES 2007-2 VARIABLE FUNDING NOTE (THIS “NOTE”), HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER RELEVANT JURISDICTION, AND NEITHER OF IHOP FRANCHISING, LLC OR IHOP IP, LLC (THE “CO-ISSUERS”) HAS BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). THIS NOTE AND ANY INTEREST HEREIN MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT COMPETITORS (AS DEFINED IN THE INDENTURE), UNLESS THE CO-ISSUERS GIVE WRITTEN CONSENT TO SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER, AND IN ACCORDANCE WITH THE PROVISIONS OF THE SERIES 2007-2 NOTE PURCHASE AGREEMENT, DATED AS OF MARCH 16, 2007 BY AND AMONG THE CO-ISSUERS, INTERNATIONAL HOUSE OF PANCAKES, INC., AS THE SERVICER, THE COMMITTED NOTE PURCHASER AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS INDENTURE TRUSTEE AND ADMINISTRATIVE AGENT.

**ARTICLE IX**

**GOVERNING LAW**

THIS SERIES SUPPLEMENT AND EACH OF THE SERIES 2007-2 NOTES SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

**ARTICLE X**

**EXECUTION IN COUNTERPARTS; EFFECTIVE TIME**

This Series Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. This Series Supplement shall become effective upon the execution of a counterpart hereof by the Issuer, the Indenture Trustee and the Series Insurer.

**ARTICLE XI**

**MODIFICATION OF THE SERIES SUPPLEMENT**

This Series Supplement may not be modified except by a writing executed by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Series Supplement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

IHOP FRANCHISING, LLC, as Issuer

By: MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

IHOP IP, LLC, as Co-Issuer

By: THOMAS G. CONFORTI  
Name: Thomas G. Conforti  
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, not  
in its individual capacity, but solely as Indenture Trustee

By: BENJAMIN J. KRUEGER  
Name: Benjamin J. Krueger  
Title: Vice President

FINANCIAL GUARANTY INSURANCE COMPANY, as  
Series Insurer

By: DEREK DONNELLY  
Name: Derek Donnelly  
Title: Director



SERIES 2007-2 NOTE PURCHASE AGREEMENT  
(SERIES 2007-2 VARIABLE FUNDING NOTES)

dated as of March 16, 2007

among

IHOP FRANCHISING, LLC  
IHOP IP, LLC  
as the Co-Issuers

INTERNATIONAL HOUSE OF PANCAKES, Inc.,  
as Servicer,

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Indenture Trustee

GOLDMAN, SACHS & CO.,  
as Committed Note Purchaser,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent

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## NOTE PURCHASE AGREEMENT

THIS NOTE PURCHASE AGREEMENT, dated as of March 16, 2007 (as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof, this “Agreement”), is made by and among:

- (a) IHOP FRANCHISING, LLC, a Delaware limited liability company (the “Issuer”), IHOP IP, LLC, a Delaware limited liability company (the “Co-Issuer,” and together with IHOP Franchising, the “Co-Issuers”),
- (b) INTERNATIONAL HOUSE OF PANCAKES, INC., a Delaware corporation (the “Servicer”),
- (c) WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as Indenture Trustee (the “Indenture Trustee”),
- (d) the several commercial paper conduits listed on Schedule I as Conduit Investors (if any) and their respective permitted successors and assigns (each, a “Conduit Investor” and, collectively, the “Conduit Investors”),
- (e) the several financial institutions listed on Schedule I as Committed Note Purchasers and their respective permitted successors and assigns (each, a “Committed Note Purchaser” and, collectively, the “Committed Note Purchasers”),
- (f) for each Investor Group, the financial institution set forth opposite the name of such Investor Group on Schedule I as Funding Agent and its permitted successors and assigns (each, the “Funding Agent” with respect to such Investor Group and, collectively, the “Funding Agents”), and
- (g) WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as administrative agent for the Conduit Investors, the Committed Note Purchasers and the Funding Agents (together with its permitted successors and assigns in such capacity, the “Administrative Agent” or the “Series 2007-2 Administrative Agent”).

## BACKGROUND

1. The Co-Issuers, the Series Insurer and the Indenture Trustee entered into the Series 2007-2 Series Supplement, dated as of the Closing Date (as the same may be further amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, the “Series 2007-2 Series Supplement”) to the Base Indenture among the Co-Issuers and the Indenture Trustee, dated as of the Closing Date (as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, the “Base Indenture” and, together with the Series 2007-2 Series Supplement, the “Indenture”), pursuant to which the Co-Issuers will issue one or more Series 2007-2 Variable Funding Notes (the “Series 2007-2 Notes”).

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2. The Co-Issuers will, concurrently with the execution and delivery of this Agreement and satisfaction of the conditions hereunder to the initial advance, issue the Series 2007-2 Notes in favor of the Conduit Investors, or if there is no Conduit Investor with respect to any Investor Group, the Committed Note Purchaser with respect to such Investor Group, and the Conduit Investors or the Committed Note Purchasers, as applicable, hereby agree to make loans from time to time (each, a “Series 2007-2 Advance”) for the purchase of Series 2007-2 Principal Amounts, all of which Advances (including the Series 2007-2 Initial Advance) will constitute Increases, and all of which Advances (including the Series 2007-2 Initial Advance) will be evidenced by the Series 2007-2 Notes purchased in connection herewith and will constitute purchases of Series 2007-2 Principal Amounts corresponding to the amount of such Series 2007-2 Advances. Subject to the terms and conditions of this Agreement, each Conduit Investor may make Series 2007-2 Advances from time to time and each Committed Note Purchaser is willing to commit to make Series 2007-2 Advances from time to time, to fund purchases of Series 2007-2 Principal Amounts in an aggregate outstanding amount up to the Maximum Investor Group Principal Amount for the related Investor Group until the commencement of the Series 2007-2 Mandatory Redemption Period. The Servicer has joined in this Agreement to confirm certain representations, warranties and covenants made by it as Servicer for the benefit of each Conduit Investor and each Committed Note Purchaser.

**ARTICLE I**  
**DEFINITIONS**

Section 1.01 Definitions. As used in this Agreement and unless the context requires a different meaning, capitalized terms used but not defined herein (including the preamble and the recitals hereto) shall have the meanings assigned to such terms in Article 1 of the Series 2007-2 Series Supplement or in Appendix A to the Base Indenture, as applicable. In addition, the following terms shall have the following meanings and the definitions of such terms are applicable to the singular as well as the plural form of such terms and to the masculine as well as the feminine and neuter genders of such terms:

“Acquiring Committed Note Purchaser” has the meaning set forth in Section 9.17(a).

“Acquiring Investor Group” has the meaning set forth in Section 9.17(c).

“Administrative Agent Fee” shall mean \$6,000 *per annum* payable to the Administrative Agent in monthly installments of \$500 on the Series 2007-2 Closing Date and on each Payment Date.

“Affected Person” has the meaning set forth in Section 3.05.

“Aggregate Unpaids” has the meaning set forth in Section 5.01.

“Assignment and Assumption Agreement” means an Assignment and Assumption Agreement substantially in the form of Exhibit B.

“Base Rate” means, on any day, a rate *per annum* equal to the sum of (i) the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Rate in effect on such day plus (ii) 0.40%. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Rate, respectively. Changes in the rate of interest on that portion of any Series 2007-2 Advances maintained as Base Rate Advances will take effect simultaneously with each change in the Base Rate.

“Base Rate Tranche” means that portion of the Series 2007-2 Principal Amount purchased or maintained with Series 2007-2 Advances which bear interest by reference to the Base Rate.

“Borrowing” has the meaning set forth in Section 2.02(c).

“Borrowing Deficit” has the meaning set forth in Section 2.03(b).

“Change in Law” means (a) any law, rule or regulation or any change therein or in the interpretation or application thereof (whether or not having the force of law), in each case, adopted, issued or occurring after the Series 2007-2 Closing Date or (b) any request, guideline or directive (whether or not having the force of law) applicable to financial institutions generally (and not specific to any particular Committed Note Purchaser) from any government or political subdivision or agency, authority, bureau, central bank, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, or any accounting board or authority (whether or not part of government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case, whether foreign or domestic (each an “Official Body”) charged with the administration, interpretation or application thereof, or the compliance with any request or directive of any Official Body (whether or not having the force of law) made, issued or occurring after the Series 2007-2 Closing Date.

“Class A Commercial Paper” has the meaning specified in the definition of Program Support Provider.

“Class A Note” has the meaning specified in the definition of Program Support Provider.

“Commitment” means, the obligation of the Committed Note Purchasers included in each Investor Group to fund Series 2007-2 Advances in lieu of the related Conduit Investor pursuant to Section 2.02(a) in an aggregate stated amount up to the Maximum Investor Group Principal Amount for such Investor Group.

“Commitment Amount” means, as to each Conduit Investor, the Maximum Investor Group Principal Amount with respect to the Investor Group of which such Conduit Investor is a part.

“Commitment Percentage” means, on any date of determination, with respect to any Investor Group, the ratio, expressed as a percentage, which such Investor Group’s Maximum Investor Group Principal Amount bears to the Series 2007-2 Maximum Principal Amount on such date.

“Committed Note Purchaser” has the meaning set forth in the recitals hereto.

“Committed Note Purchaser Percentage” means, with respect to any Committed Note Purchaser, the percentage set forth opposite the name of such Committed Note Purchaser on Schedule I.

“Conduit Assignee” means, with respect to any Conduit Investor, any commercial paper conduit, whose commercial paper has at least two of the following ratings (x) at least “A-1” from Standard & Poor’s, and (y) “P1” from Moody’s, that is administered by the Funding Agent with respect to such Conduit Investor or any Affiliate of such Funding Agent, in each case, designated by such Funding Agent to accept an assignment from such Conduit Investor of the Investor Group Principal Amount or a portion thereof with respect to such Conduit Investor pursuant to Section 9.17(b).

“Conduit Investors” has the meaning set forth in the recitals hereto.

“Confidential Information” for purposes of this Agreement, has the meaning set forth in Section 9.11.

“CP Rate” means, with respect to each Conduit Investor (i) for any day during any Series 2007-2 Interest Accrual Period funded by a Conduit Investor set forth in Schedule I hereto or any other Conduit Investor that elects in its Assignment and Assumption Agreement to make this clause (i) applicable (collectively, the “Conduits”), the *per annum* rate equivalent to the weighted average of the *per annum* rates paid or payable by such Conduits from time to time as interest on or otherwise (by means of interest rate hedges or otherwise taking into consideration any incremental carrying costs associated with short term promissory notes issued by such Conduits maturing on dates other than those certain dates on which such Conduits are to receive funds) in respect of the promissory notes issued by such Conduits that are allocated in whole or in part by their respective Funding Agent (on behalf of such Conduits) to fund or maintain the Series 2007-2 Principal Amount during such period, as determined by their respective Funding Agent (on behalf of such Conduits), including (x) the commissions of placement agents and dealers in respect of such promissory notes, to the extent such commissions are allocated, in whole or in part, to such promissory notes by the related Committed Note Purchasers (on behalf of such Conduits), (y) all reasonable costs and expenses of any issuing and paying agent or other person responsible for the administration of such Conduits’ commercial paper programs in connection with the preparation, completion, issuance, delivery or payment of Class A Commercial Paper, and (z) the costs of other borrowings by such Conduits including, without limitation, borrowings to fund small or odd dollar amounts that are not easily accommodated in the commercial paper market; provided, however, that if any component of such rate is a discount rate, in calculating the CP Rate, the respective Funding Agent for such Conduits shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate *per annum* and (ii) for any Series 2007-2 Interest Accrual Period for any portion of the Commitment of the related Investor Group funded by any other Conduit Investor, the “CP Rate” applicable to such Conduit Investor as set forth in its Assignment and Assumption Agreement.



“CP Tranche” means that portion of the Series 2007-2 Principal Amount purchased or maintained with Series 2007-2 Advances which bear interest by reference to the CP Rate.

“Domestic Office” means, the office of the related Funding Agent designated as such below its name on the signature page hereof, if any, or such other office of such Funding Agent as designated from time to time by written notice from such Funding Agent to the Co-Issuers, inside the United States, which shall be making or maintaining Series 2007-2 Advances other than Eurodollar Advances of the Committed Note Purchasers in its Investor Group hereunder.

“Eurodollar Advance” means, a Series 2007-2 Advance which bears interest at all times during the Eurodollar Interest Accrual Period applicable thereto at a fixed rate of interest determined by reference to the Eurodollar Rate (Reserve Adjusted).

“Eurodollar Interest Accrual Period” means, with respect to any Eurodollar Advance, a period commencing on the date of such Eurodollar Advance and ending on the next Payment Date; provided, however, that

- (i) no Eurodollar Interest Accrual Period may end subsequent to the December 2010 Payment Date; and
- (ii) upon the occurrence and during the continuation of the Series 2007-2 Mandatory Redemption Period, any Eurodollar Interest Accrual Period may be terminated at the election of the related Funding Agent by notice to the Co-Issuers and the Servicer, and upon such election the Eurodollar Advances in respect of which interest was calculated by reference to such terminated Eurodollar Interest Accrual Period shall be converted to Base Rate Advances or included in the CP Tranche until payment in full of the Series 2007-2 Notes.

“Eurodollar Office” means, the office of the related Funding Agent designated as such below its name on the signature page hereof, if any, or such other office of such Funding Agent as designated from time to time by written notice from such Funding Agent to the Co-Issuers, whether or not outside the United States, which shall be making or maintaining Eurodollar Advances of the Committed Note Purchasers in its Investor Group hereunder.

“Eurodollar Rate” means, the rate *per annum* determined by the related Funding Agent at approximately 11:00 a.m. (London time) on the date which is two (2) Business Days prior to the beginning of the relevant Eurodollar Interest Accrual Period by reference to the British Bankers’ Association Interest Settlement Rates for deposits in Dollars (as set forth by any service selected by such Funding Agent which has been nominated by the British Bankers’ Association as an authorized information vendor for the purpose of displaying such rates) for a period equal to such Eurodollar Interest Accrual Period; provided that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the “Eurodollar Rate” shall be the interest rate *per annum* determined by such Funding Agent to be the rate *per annum* at which deposits in Dollars are offered by the Reference Lender in London to prime banks in the London interbank market at or about 11:00 a.m. (London time) two (2)

Business Days before the first day of such Eurodollar Interest Accrual Period in an amount substantially equal to the amount of the Eurodollar Advances to be outstanding during such Eurodollar Interest Accrual Period and for a period equal to such Eurodollar Interest Accrual Period. In respect of any Eurodollar Interest Accrual Period which is not thirty (30) days in duration, the Eurodollar Rate shall be determined through the use of straight-line interpolation by reference to two rates calculated in accordance with the preceding sentence, one of which shall be determined as if the maturity of the Dollar deposits referred to therein were the period of time for which rates are available next shorter than the Eurodollar Interest Accrual Period and the other of which shall be determined as if such maturity were the period of time for which rates are available next longer than the Eurodollar Interest Accrual Period; provided that, if a Eurodollar Interest Accrual Period is less than or equal to seven days, the Eurodollar Rate shall be determined by reference to a rate calculated in accordance with the preceding sentence as if the maturity of the Dollar deposits referred to therein were a period of time equal to seven days.

“Eurodollar Rate (Reserve Adjusted)” means, for any Eurodollar Interest Accrual Period, an interest rate *per annum* (rounded upward to the nearest 1/100th of 1%) determined pursuant to the following formula:

$$\text{Eurodollar Rate (Reserve Adjusted)} = \frac{\text{Eurodollar Rate}}{1.00 \text{ Eurodollar Reserve Percentage}}$$

The Eurodollar Rate (Reserve Adjusted) for any Eurodollar Interest Accrual Period for Eurodollar Advances will be determined by the related Funding Agent on the basis of the Eurodollar Reserve Percentage in effect one (1) Business Day before the first day of such Eurodollar Interest Accrual Period.

“Eurodollar Reserve Percentage” means, for any Eurodollar Interest Accrual Period, the reserve percentage (expressed as a decimal) equal to the maximum aggregate reserve requirements (including all basic, emergency, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) specified under regulations issued from time to time by the F.R.S. Board and then applicable to assets or liabilities consisting of and including “Eurocurrency Liabilities,” as currently defined in Regulation D of the F.R.S. Board, having a term approximately equal or comparable to such Eurodollar Interest Accrual Period.

“Eurodollar Tranche” means that portion of the Series 2007-2 Principal Amount purchased or maintained with Eurodollar Advances.

“Federal Funds Rate” means for any period, a fluctuating interest rate *per annum* equal for each day during such period to the weighted average of the overnight federal funds rates as in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by the Funding Agent for such Investor Group (or, if such day is not a Business Day, for the next preceding Business Day), or, if, for any reason, such rate is not available on any day, the rate determined, in the sole opinion of the Funding Agent for such Investor Group, to be the rate at which overnight federal funds are being offered in the national federal funds market at 9:00 a.m. New York City time.

“Financial Statements” has the meaning set forth in Section 6.02(b).

“Governmental Authority” means the United States of America, any state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory, or administrative functions thereof pertaining thereto.

“Increase Date” shall mean the Business Day on which an Increase in the Series 2007-2 Principal Amount occurs.

“Investor Group” means, collectively, a Conduit Investor, if any, and the Committed Note Purchaser(s) with respect to such Conduit Investor.

“Investor Group Increase Amount” means, with respect to any Investor Group, for any Business Day, such Investor Group’s Commitment Percentage of the Increase, if any, on such Business Day.

“Investor Group Principal Amount” means, with respect to any Investor Group, (a) when used with respect to the Series 2007-2 Closing Date, such Investor Group’s Commitment Percentage of the Series 2007-2 Initial Advance Principal Amount and (b) when used with respect to any other date, an amount equal to (i) the Investor Group Principal Amount with respect to such Investor Group on the immediately preceding Business Day plus (ii) the Investor Group Increase Amount with respect to such Investor Group on such date minus (iii) the amount of principal payments made to such Investor Group pursuant to the Series 2007-2 Series Supplement on such date plus (iv) the amount of principal payments recovered from such Investor Group by a trustee as a preference payment in a bankruptcy proceeding of the Issuer or otherwise.

“Investor Group Supplement” means an Investor Group Supplement substantially in the form of Exhibit C.

“Majority Program Support Providers” means with respect to the related Investor Group, Program Support Providers holding more than 50% of the aggregate commitments of all Program Support Providers.

“Margin Stock” means “margin stock” as defined in Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time.

“Maximum Investor Group Principal Amount” means, with respect to each Investor Group, the amount set forth opposite the name of the Conduit Investor included in such Investor Group on Schedule I, as such amount may be increased or modified from time to time by written agreement among the Committed Note Purchasers included in such Investor Group on Schedule I hereto, the Servicer, the Series Insurer and the Co-Issuers in accordance with the terms hereof.

“Prime Rate” means the rate announced by the Reference Lender from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by the Reference Lender in connection with extensions of credit to debtors.

“Program Support Agreement” means and includes any agreement entered into by any Program Support Provider in respect of any Class A Commercial Paper and/or Series 2007-2 Note providing for the issuance of one or more letters of credit for the account of a Committed Note Purchaser or a Conduit Investor, the issuance of one or more insurance policies for which a Committed Note Purchaser or a Conduit Investor is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, the sale by a Committed Note Purchaser or a Conduit Investor to any Program Support Provider of the Series 2007-2 Notes (or portions thereof or interests therein) and/or the making of loans and/or other extensions of credit to a Committed Note Purchaser or a Conduit Investor in connection with such Conduit Investor’s securitization program, together with any letter of credit, insurance policy or other instrument issued thereunder or guaranty thereof (but excluding any discretionary advance facility provided by a Committed Note Purchaser).

“Program Support Provider” means and includes any financial institutions and any other or additional Person now or hereafter extending credit or having a commitment to extend credit to or for the account of, and/or agreeing to make purchases from, a Committed Note Purchaser or a Conduit Investor in respect of such Committed Note Purchaser’s or Conduit Investor’s Class A Commercial Paper (“Class A Commercial Paper”) and/or Class A Note (“Class A Note”), and/or agreeing to issue a letter of credit or insurance policy or other instrument to support any obligations arising under or in connection with such Conduit Investor’s securitization program as it relates to any Class A Commercial Paper issued by such Conduit Investor, in each case pursuant to a Program Support Agreement and any guarantor of any such person.

“Reference Lender” means the related Funding Agent.

“Regulation S”: Regulation S under the Securities Act.

“Securities Act”: The U.S. Securities Act of 1933, as amended.

“Series 2007-2 Advance” has the meaning set forth in paragraph 2 of the recitals hereto.

“Series 2007-2 Advance Request” has the meaning set forth in Section 7.03(c).

“Series 2007-2 Commitment Termination Date” means the Series 2007-2 Anticipated Repayment Date or such later date designated in accordance with Section 2.05 or such earlier date as the parties hereto may agree in writing to terminate this Agreement.

“Series 2007-2 Initial Advance” means the Series 2007-2 Advances made under this Agreement as part of the initial Borrowings.

“Series 2007-2 Series Supplement” means that certain Series Supplement to the Base Indenture, dated as of the date hereof (as amended, modified, restated or supplemented from time to time in accordance with the terms thereof), by and among the Co-Issuers, Wells Fargo Bank, National Association, as Indenture Trustee and Financial Guaranty Insurance Company, as Series Insurer, relating to, among other things, the issuance by the Co-Issuers of Series 2007-2 Notes.

Notes. “Series 2007-2 Mandatory Redemption Period” means a Mandatory Redemption Period relating to the Series 2007-2

“Taxes” has the meaning set forth in Section 3.08.

“Term” has the meaning set forth in Section 2.05.

“Undrawn Facility Fee” has the meaning set forth in Section 3.02(a).

## ARTICLE II

### PURCHASE AND SALE OF SERIES 2007-2 NOTES

Section 2.01 The Initial Note Purchase. On the terms and conditions set forth in the Indenture and this Agreement, and in reliance on the covenants, representations and agreements set forth herein and therein, the Co-Issuers caused the Indenture Trustee to issue the initial Series 2007-2 Notes on the Series 2007-2 Closing Date. Such initial Series 2007-2 Notes for each Investor Group were dated the Series 2007-2 Closing Date, registered in the name of the respective Funding Agent or its nominee, as agent for the related Conduit Investor and the Committed Note Purchaser(s), or in such other name as the respective Funding Agent may request, and duly authenticated in accordance with the provisions of the Indenture.

Section 2.02 Series 2007-2 Advances. (a) Subject to the terms and conditions of this Agreement and the Series 2007-2 Series Supplement, each Conduit Investor, if any may and, if such Conduit Investor determines that it will not make a Series 2007-2 Advance or any portion of a Series 2007-2 Advance, its related Committed Note Purchaser(s) or, if there is no Conduit Investor with respect to any Investor Group, the Committed Note Purchaser(s) with respect to such Investor Group, shall, to the extent such Conduit Investor does not make such Series 2007-2 Advance or there is no such Conduit Investor with respect to an Investor Group, and the Series 2007-2 Commitment Termination Date has not occurred, upon the Co-Issuers’ request, delivered in accordance with the provisions of Section 2.03, and the satisfaction of all conditions precedent thereto, make Series 2007-2 Advances from time to time up to but not including the Series 2007-2 Commitment Termination Date; provided, that, such Series 2007-2 Advances shall be made ratably by each Conduit Investor, if any, based on the respective Commitment Percentage of its Investor Group and the portion of any such Series 2007-2 Advance made by a Committed Note Purchaser shall be its Committed Note Purchaser Percentage of the Commitment Percentage with respect to the related Investor Group; provided, that no Series 2007-2 Advance shall be required or permitted to be made on any date if, after giving effect to such Series 2007-2 Advance, (i) such related Investor, Group Principal Amount would exceed the Maximum Investor Group Principal Amount, (ii) the Series 2007-2 Principal Amount would exceed the Series 2007-2 Maximum Principal Amount, or (iii) a Mandatory Redemption Event with respect to the Series 2007-2 Notes exists or would exist as a result of such Series 2007-2 Advance. If a Conduit Investor elects not to fund the full amount of its Commitment Percentage of the Series 2007-2 Initial Advance Principal Amount or a requested Increase, such Conduit Investor shall notify the Administrative Agent and the Funding Agent with respect to such Conduit Investor, and each Committed Note Purchaser with respect to such Conduit Investor shall fund its Committed Note Purchaser Percentage of the portion of the Commitment

Percentage with respect to such Investor Group of the Series 2007-2 Initial Advance Principal Amount or such Increase, as the case may be, not funded by such Conduit Investor.

(b) Subject to Section 9.10(b), each Conduit Investor hereby agrees with respect to itself that it will use commercially reasonable efforts to fund Series 2007-2 Advances made by its Investor Group through the issuance of Class A Commercial Paper; provided, that (i) no Conduit Investor will have any obligation to use commercially reasonable efforts to fund Series 2007-2 Advances made by its Investor Group through the issuance of Class A Commercial Paper at any time (x) a Mandatory Redemption Event with respect to the Series 2007-2 Notes has occurred and is continuing or (y) the funding of such Series 2007-2 Advance through the issuance of Class A Commercial Paper would be prohibited by the program documents governing such Conduit Investor's commercial paper program, (ii) nothing herein is (or shall be construed) as a commitment by any Conduit Investor to fund any Series 2007-2 Advance through the issuance of Class A Commercial Paper, and (iii) notwithstanding anything herein or in any other Transaction Document to the contrary, at no time will a Conduit Investor be obligated to make Series 2007-2 Advances hereunder.

(c) Each of the Series 2007-2 Advances to be made on any date shall be made singly as part of a single borrowing (each such single borrowing being a "Borrowing"). Subject to the terms of this Agreement and the Series 2007-2 Series Supplement, the aggregate principal amount of the Series 2007-2 Advances represented by the Series 2007-2 Notes may be increased or decreased from time to time.

Section 2.03 Borrowing Procedures. (a) Whenever the Co-Issuers wish the Conduit Investors, or if there is no Conduit Investor with respect to any Investor Group, the Committed Note Purchaser with respect to such Investor Group, to make a Series 2007-2 Advance, the Co-Issuers shall (or shall cause the Servicer to) notify the Administrative Agent, each Funding Agent and the Indenture Trustee upon irrevocable written notice delivered to the Administrative Agent and each Funding Agent (with a copy of such notice delivered to the Committed Note Purchasers) no later than 12:00 noon New York City time on the Business Day prior to the proposed Borrowing (which Borrowing date shall, except in the case of the Series 2007-2 Initial Advance, be an Increase Date). Each such notice shall be irrevocable and shall in each case refer to this Agreement and specify the aggregate amount of the requested Borrowing to be made on such date. The Co-Issuers shall (or shall cause the Servicer to) ratably allocate the proposed Borrowing among the Investor Groups' respective Investor Group Principal Amounts. Each Funding Agent shall promptly advise its related Conduit Investor, if any, of any notice given pursuant to this Section 2.03 and shall promptly thereafter (but in no event later than 11:00 a.m. New York City time on the proposed date of Borrowing) notify the Co-Issuers and the related Committed Note Purchaser (s) whether such Conduit Investor has determined to make such Series 2007-2 Advance. On the date of each Borrowing and subject to the other conditions set forth herein and in the Series 2007-2 Series Supplement, each Conduit Investor or its related Committed Note Purchaser(s), as the case may be, shall make available to the Co-Issuers the amount of such Series 2007-2 Advance by wire transfer in U.S. dollars of such amount in same day funds to the Series 2007-2 Collection Account no later than 3:00 p.m. (New York time) on the date of such Borrowing.

(b) If, by 2:00 p.m. (New York time) on the date of any Borrowing, one or more Committed Note Purchasers in an Investor Group (each, a “Defaulting Committed Note Purchaser,” and each Committed Note Purchaser in the related Investor Group other than any Defaulting Committed Note Purchaser being referred to as a “Non-Defaulting Committed Note Purchaser”) fails to make its ratable portion of any Borrowing available to the Co-Issuers pursuant to Section 2.03(a) (the aggregate amount unavailable to the Co-Issuers as a result of such failure being herein called in either case the “Borrowing Deficit”), then the Funding Agent for such Investor Group shall, by no later than 2:30 p.m. (New York City time) on the applicable date of such Borrowing instruct each Non-Defaulting Committed Note Purchaser in the same Investor Group as the Defaulting Committed Note Purchaser to pay, by no later than 3:00 p.m. (New York time), in immediately available funds, to the Co-Issuers, an amount equal to the lesser of (i) such Non-Defaulting Committed Note Purchaser’s proportionate share (based upon the relative Committed Note Purchaser Percentage of such Non-Defaulting Committed Note Purchasers) of the Borrowing Deficit and (ii) such Non-Defaulting Committed Note Purchaser’s Committed Note Purchaser Percentage of the amount by which the Maximum Investor Group Investor Amount for such Investor Group exceeds the Investor Group Principal Amount for such Investor Group (determined after giving effect to any Series 2007-2 Advances already made by such Investor Group on such date). A Defaulting Committed Note Purchaser shall forthwith, upon demand, pay to the applicable Funding Agent for the ratable benefit of the Non-Defaulting Committed Note Purchasers all amounts paid by each such Non-Defaulting Committed Note Purchaser on behalf of such Defaulting Committed Note Purchaser, together with interest thereon, for each day from the date a payment was made by a Non-Defaulting Committed Note Purchaser until the date such Non-Defaulting Committed Note Purchaser has been paid such amounts in full, at a rate *per annum* equal to the sum of the Base Rate plus 1% *per annum*.

Section 2.04 The Series 2007-2 Notes. On each date a Series 2007-2 Advance is funded under the Series 2007-2 Notes pursuant to this Agreement, and on each date the amount of outstanding Series 2007-2 Advances thereunder is reduced, a duly authorized officer, employee or agent of the related Funding Agent shall make appropriate notations in its books and records of the amount of such Series 2007-2 Advance and the amount of such reduction, as applicable. The Co-Issuers hereby authorize each duly authorized officer, employee and agent of such Funding Agent to make such notations on the books and records as aforesaid and every such notation made in accordance with the foregoing authority shall be *prima facie* evidence of the accuracy of the information so recorded and shall be binding on the Co-Issuers absent manifest error; provided, however, that in the event of a discrepancy between the books and records of such Funding Agent and the records maintained by the Indenture Trustee pursuant to the Indenture, such discrepancy shall be resolved by such Funding Agent, the Series Insurer and the Indenture Trustee.

Section 2.05 Commitment Term. The “Term” of the Commitment hereunder shall be for a period commencing on the Series 2007-2 Closing Date and ending on the Series 2007-2 Commitment Termination Date.

Section 2.06 Selection of Interest Rates. Following (i) the funding of any Series 2007-2 Advances by a Committed Note Purchaser or (ii) any assignment by a Conduit Investor to its related liquidity providers pursuant to the applicable liquidity purchase agreement or liquidity loan agreement with respect to the Series 2007-2 Notes or to its related Committed Note

Purchaser hereunder, in each case the Series 2007-2 Advances funded, directly or indirectly, with amounts received from any such provider or Committed Note Purchaser will accrue interest at the Base Rate; provided that the Co-Issuers may, prior to the commencement of Series 2007-2 Mandatory Redemption Period, if the Co-Issuers give notice prior to 12:00 p.m. (New York Time) on the date which is two (2) Business Days prior to the commencement of the related Eurodollar Interest Accrual Period, elect that such Series 2007-2 Advances be made as Eurodollar Advances, in which case such Series 2007-2 Advances shall bear interest at the Eurodollar Rate (Reserve Adjusted) plus 0.40% *per annum*.

Section 2.07 Reduction in Commitment Amount. The Co-Issuers may, upon three Business Days’ notice to the Indenture Trustee, the Administrative Agent, each Funding Agent, each Conduit Investor and each Committed Note Purchaser, effect a permanent reduction in the Series 2007-2 Maximum Principal Amount and a corresponding reduction in the Commitment Amount and the Maximum Investor Group Principal Amount; provided that any such reduction will be limited to the undrawn portion of the Commitment Amounts, although any such reduction may be combined with a Voluntary Decrease effected pursuant to and in accordance with Section 5.2(b) of the Series 2007-2 Series Supplement and must be in a minimum amount of \$5,000,000.

**ARTICLE III**

**INTEREST AND FEES**

Section 3.01 Interest. Each related Series 2007-2 Advance funded or maintained by a Conduit Investor during the related Series 2007-2 Interest Accrual Period (a) through the issuance of Class A Commercial Paper shall bear interest at the CP Rate for such Series 2007-2 Interest Accrual Period plus 0.40% *per annum* and (b) through means other than the issuance of Class A Commercial Paper shall bear interest at (i) the Base Rate for the related Series 2007-2 Interest Accrual Period or (ii) if the required notice has been given pursuant to Section 2.06, the Eurodollar Rate (Reserve Adjusted) plus 0.40% *per annum* applicable to such Investor Group for the related Eurodollar Interest Accrual Period, in each case except as otherwise provided in the definition of Eurodollar Interest Accrual Period or in Section 3.03 or 3.04. Each Funding Agent shall notify the Co-Issuers, the Servicer and the Administrative Agent of the applicable interest rate for the Series 2007-2 Advances made by its Investor Group for the related Series 2007-2 Interest Accrual Period by 11:00 a.m. (New York time) on the Business Day preceding each Determination Date and on the Business Day following each Payment Date. In addition, each Funding Agent shall notify the Co-Issuers, the Servicer and the Administrative Agent of the applicable CP Rate for each Series 2007-2 Advance made by its Investor Group and funded through the issuance of Class A Commercial Paper by 11:00 a.m. (New York time) on the second Business Day after the end of the applicable Interest Accrual Period. The Administrative Agent shall notify the Servicer and the Indenture Trustee of the blended average of the CP Rates for each Series 2007-2 Advance on the Business Day of such Series 2007-2 Advance.

(a) Interest shall be due and payable on each Payment Date in accordance with the provisions of the Series 2007-2 Series Supplement.



(b) All computations of interest at the CP Rate and the Eurodollar Rate (Reserve Adjusted) shall be made on the basis of a year of 360 days and the actual number of days elapsed and all computations of interest at the Base Rate shall be made on the basis of a 365 (or 366, as applicable) day year and actual number of days elapsed. Whenever any payment of interest or principal in respect of any Series 2007-2 Advance shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day (other than as provided in the definition of Eurodollar Interest Accrual Period) and such extension of time shall be included in the computation of the amount of interest owed.

Section 3.02 Fees. (a) On each Payment Date on or prior to the Series 2007-2 Commitment Termination Date, the Co-Issuers shall pay to each Funding Agent, for the account of the related Investor Group, an undrawn facility fee (the “Undrawn Facility Fee”) equal to the product of (x) 0.15% times (y) the excess of (i) 100% of the Maximum Investor Group Principal Amount for the related Investor Group over (ii) 100% of the daily average Investor Group Principal Amount for the related Investor Group during the related Series 2007-2 Interest Accrual Period (or in the case of the first Payment Date occurring following the Series 2007-2 Closing Date, the number of days in the period from and including the Series 2007-2 Closing Date to but excluding such first Payment Date), times (z) the number of days in the related Series 2007-2 Interest Accrual Period divided by 360 (or in the case of the first Payment Date occurring following the Series 2007-2 Closing Date, the number of days in the period from and including the Series 2007-2 Closing Date to but excluding such first Payment Date).

(b) On the Series 2007-2 Closing Date and on each Payment Date thereafter, the Co-Issuers shall pay to the Administrative Agent the applicable Administrative Agent Fee for such date.

(c) On the Series 2007-2 Closing Date, the Co-Issuers shall pay to each Funding Agent, for the account of the related Committed Note Purchaser a structuring and commitment fee equal to the product of (a) the product of (x) 0.01625% and (y) the Series 2007-2 Maximum Principal Amount and (b) such Committed Note Purchaser’s Committed Note Purchaser Percentage on the Series 2007-2 Closing Date.

(d) On the Series 2007-2 Closing Date or any Payment Date up to and including the Payment Date occurring in June 2007, the Co-Issuers shall pay to each Funding Agent, for the account of the related Committed Note Purchaser, an amount sufficient to reimburse such Committed Note Purchaser for certain syndication related expenses, evidenced by appropriate invoices delivered to the Administrative Agent with a copy to the Servicer, up to an aggregate amount of \$65,000.

Section 3.03 Eurodollar Lending Unlawful. If a Conduit Investor, a Committed Note Purchaser or any Program Support Provider shall reasonably determine (which determination shall, upon notice thereof to the Administrative Agent and the related Funding Agent and the Co-Issuers, be conclusive and binding on the Co-Issuers absent manifest error) that the introduction of or any change in or in the interpretation of any law, rule or regulation makes it unlawful, or any central bank or other Governmental Authority asserts that it is unlawful, for any such Program Support Provider or Committed Note Purchaser to make, continue, or maintain any Series 2007-2 Advance as, or to convert any Series 2007-2 Advance

into, the Eurodollar Tranche of such Series 2007-2 Advance, the obligation of such Person to make, continue or maintain or convert any such Series 2007-2 Advance as the Eurodollar Tranche of such Series 2007-2 Advance shall, upon such determination, forthwith be suspended until such Person shall notify the related Funding Agent and the Co-Issuers that the circumstances causing such suspension no longer exist, and such Investor Group shall immediately convert all Series 2007-2 Advances of any such Program Support Provider or Committed Note Purchaser, as applicable, into the Base Rate Tranche of such Series 2007-2 Advance at the end of the then current Eurodollar Interest Accrual Periods with respect thereto or sooner, if required by such law or assertion.

Section 3.04 Deposits Unavailable. If a Conduit Investor, a Committed Note Purchaser or any Program Support Provider shall have reasonably determined that:

- (a) Dollar deposits in the relevant amount and for the relevant Eurodollar Interest Accrual Period are not available to all Reference Lenders in the relevant market; or
- (b) by reason of circumstances affecting all Reference Lenders' relevant market, adequate means do not exist for ascertaining the interest rate applicable hereunder to the Eurodollar Tranche of any Series 2007-2 Advance; or
- (c) such Conduit Investor, such Committed Note Purchaser or the related Majority Program Support Providers have notified the related Funding Agent and the Co-Issuers that, with respect to any interest rate otherwise applicable hereunder to the Eurodollar Tranche of any Series 2007-2 Advance the Eurodollar Interest Accrual Period for which has not then commenced, such interest rate will not adequately reflect the cost to such Conduit Investor, such Committed Note Purchaser or such Majority Program Support Providers of making, funding, agreeing to make or fund or maintaining their respective Eurodollar Tranche of such Series 2007-2 Advance for such Eurodollar Interest Accrual Period,

then, upon notice from such Conduit Investor, such Committed Note Purchaser or the related Majority Program Support Providers to such Funding Agent and the Co-Issuers, the obligations of such Conduit Investor, such Committed Note Purchaser and all of the relevant Program Support Providers to make or continue any Series 2007-2 Advance as, or to convert any Series 2007-2 Advances into, the Eurodollar Tranche of such Series 2007-2 Advance shall forthwith be suspended until such Funding Agent shall notify the Co-Issuers that the circumstances causing such suspension no longer exist.

Section 3.05 Increased or Reduced Costs, etc. The Co-Issuers agree to reimburse each Conduit Investor and each Committed Note Purchaser and any Program Support Provider (each, an "Affected Person") for any increase in the cost of, or any reduction in the amount of any sum receivable by any such Affected Person, including reductions in the rate of return on such Affected Person's capital, in respect of making, continuing or maintaining (or of its obligation to make, continue or maintain) any Series 2007-2 Advances as, or of converting (or of its obligation to convert) any Series 2007-2 Advances into, the Eurodollar Tranche of such Series 2007-2 Advance that arise in connection with any Changes in Law, except for such Changes in Law with respect to increased capital costs and taxes which are governed by Sections 3.07 and 3.08, respectively. Each such demand shall be provided to the related Funding

Agent and the Co-Issuers in writing and shall state, in reasonable detail, the reasons therefor and the additional amount required fully to compensate such Affected Person for such increased cost or reduced amount or return. Such additional amounts shall be payable by the Co-Issuers to such Funding Agent and by such Funding Agent directly to such Affected Person within five (5) Business Days of the Co-Issuers' receipt of such notice, and such notice shall, in the absence of manifest error, be conclusive and binding on the Co-Issuers.

Section 3.06 Funding Losses. In the event any Affected Person shall incur any loss or expense (including any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Affected Person to make, continue or maintain any portion of the principal amount of any Series 2007-2 Advance as, or to convert any portion of the principal amount of any Series 2007-2 Advance into, the Eurodollar Tranche of such Series 2007-2 Advance) as a result of:

(a) any conversion or repayment or prepayment (for any reason, including, without limitation, as a result of the acceleration of the maturity of the Eurodollar Tranche of such Series 2007-2 Advance or the assignment thereof in accordance with the requirements of the applicable Program Support Agreement) of the principal amount of any portion of the Eurodollar Tranche on a date other than the scheduled last day of the Eurodollar Interest Accrual Period applicable thereto;

(b) any Series 2007-2 Advance not being made as a Series 2007-2 Advance under the Eurodollar Tranche after a request for such a Series 2007-2 Advance has been made in accordance with the terms contained herein;

(c) any Series 2007-2 Advance not being continued as, or converted into, a Series 2007-2 Advance under the Eurodollar Tranche after a request for such continuation or conversion has been made in accordance with the terms contained herein, or

(d) any failure of the Co-Issuers to make a Decrease after giving notice thereof pursuant to Section 5.2(b) of the Series 2007-2 Series Supplement,

then, upon the written notice of any Affected Person to the related Funding Agent and the Co-Issuers, the Co-Issuers shall pay to such Funding Agent and such Funding Agent shall, within five (5) Business Days of its receipt thereof, pay directly to such Affected Person such amount as will (in the reasonable determination of such Affected Person) reimburse such Affected Person for such loss or expense. Such written notice (which shall include calculations in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Co-Issuers.

Section 3.07 Increased Capital Costs. If any Change in Law affects or would affect the amount of capital required or reasonably expected to be maintained by any Affected Person or any Person controlling such Affected Person and such Affected Person reasonably determines (in its sole and absolute discretion) that the rate of return on its or such controlling Person's capital as a consequence of its commitment or the Series 2007-2 Advances made by such Affected Person is reduced to a level below that which such Affected Person or such controlling Person would have achieved but for the occurrence of any such circumstance, then, in

any such case after notice from time to time by such Affected Person to the related Funding Agent and the Co-Issuers, the Co-Issuers shall pay to such Funding Agent and such Funding Agent shall pay an incremental commitment fee to such Affected Person sufficient to compensate such Affected Person or such controlling Person for such reduction in rate of return. A statement of such Affected Person as to any such additional amount or amounts (including calculations thereof in reasonable detail), in the absence of manifest error, shall be conclusive and binding on the Co-Issuers; and provided, further, that the initial payment of such increased commitment fee shall include a payment for accrued amounts due under this Section 3.07 prior to such initial payment. In determining such additional amount, such Affected Person may use any method of averaging and attribution that it (in its reasonable discretion) shall deem applicable so long as it applies such method to other similar transactions.

Section 3.08 Taxes. (a) Any and all payments by the Co-Issuers of principal of, and interest on, the Series 2007-2 Notes and all other amounts payable hereunder (including fees) shall be made free and clear of and without deduction for any present or future income, excise, documentary, property, stamp or franchise taxes, and other taxes, levies, imposts, deductions, charges or withholdings and all liabilities (including penalties, interest and additions to tax) with respect thereto, whether now or hereafter imposed, levied, collected withheld or assessed by any taxing authority ("Taxes"), unless required by law. If the Co-Issuers shall be required under any requirement of law to deduct or withhold any Taxes from or in respect of any sum payable hereunder or in respect of the Series 2007-2 Notes, (i) the Co-Issuers shall make all such deductions and withholdings in respect of Taxes, (ii) the Co-Issuers shall pay the full amount deducted or withheld in respect of Taxes to the relevant taxation authority or other governmental authority in accordance with any requirement of law, and (iii) the sum payable by the Co-Issuers shall be increased as may be necessary so that after the Co-Issuers have made all required deductions and withholdings (including deductions and withholdings applicable to additional amounts payable under this Section 3.08) such Affected Party receives an amount equal to the sum it would have received had no such deductions or withholdings been made in respect of Non-Excluded Taxes. For purposes of this Agreement, the term "Non-Excluded Taxes" are Taxes, other than (i) Taxes that are imposed on the Affected Person's overall net income (including franchise taxes imposed in lieu thereof) by the jurisdiction under the laws of which such Affected Person is organized or of its applicable lending office, or any political subdivision thereof, unless such Taxes are imposed as a result of such Affected Party having executed, delivered or performed its obligations or received payments under, or enforced, this Agreement or the Series 2007-2 Notes, and (ii) with respect to any Affected Person organized under the laws of the jurisdiction other than the United States ("Foreign Affected Person"), any United States Interest withholding tax that is imposed on amounts payable to the Foreign Affected Person at the time the Foreign Affected Person becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Affected Person (or its assignor, if any) was already entitled, at the time of the designation of the new lending office (or assignment), to receive additional amounts from the Co-Issuers with respect to United States Interest withholding tax.

Moreover, if any Non-Excluded Taxes are directly asserted against any Affected Person with respect to any payment received by such Affected Person or its agent from the Co-Issuers, such Affected Person or its agent may pay such Non-Excluded Taxes and the Co-Issuers will promptly upon receipt of prior written notice stating the amount of such Non-

Excluded Taxes pay such additional amounts (including any penalties, interest or expenses) as is necessary in order that the net amount received by such person after the payment of such Non-Excluded Taxes (including any Taxes on such additional amount) shall equal the amount such person would have received had such Non-Excluded Taxes not been asserted.

If the Co-Issuers fail to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Affected Person or its agent the required receipts or other required documentary evidence, the Co-Issuers shall indemnify the Affected Person and their agent for any incremental Taxes, interest or penalties that may become payable by any such Affected Person or its agent as a result of any such failure. For purposes of this Section 3.08, a distribution hereunder by the agent for the relevant Affected Person shall be deemed a payment by the Co-Issuers.

Upon the request of the Co-Issuers, each Foreign Affected Person shall execute and deliver to the Co-Issuers, prior to the initial due date of any payments hereunder and to the extent permissible under then current law, and on or about the first scheduled payment date in each calendar year thereafter, one or more (as the Co-Issuers may reasonably request) United States Internal Revenue Service Forms W-8BEN, Forms W-8ECI or Forms W-9, or successor applicable forms, or such other forms or documents (or successor forms or documents), appropriately completed, as may be applicable to establish the extent, if any, to which a payment to such Affected Person is exempt from withholding or deduction of Taxes. The Co-Issuers shall not, however, be required to pay any increased amount under this Section 3.08 to any Affected Person that is organized under the laws of a jurisdiction other than the United States if such Affected Person fails to comply with the requirements set forth in this paragraph.

Section 3.09 Indenture Carrying Charges; Survival. The agreements in Sections 3.05, 3.06, 3.07 and 3.08 shall survive the termination of this Series 2007-2 Note Purchase Agreement, the Series 2007-2 Series Supplement and the Base Indenture and the payment of all amounts payable hereunder and thereunder.

**ARTICLE IV**

**OTHER PAYMENT TERMS**

Section 4.01 Time and Method of Payment. All amounts payable to any Funding Agent hereunder or with respect to the Series 2007-2 Notes shall be made to the applicable Funding Agent or upon the order of the applicable Funding Agent by wire transfer of immediately available funds in Dollars not later than 1:00 p.m., New York City time, on the date due. Any funds received after that time will be deemed to have been received on the next Business Day. The Co-Issuers’ obligations hereunder in respect of any amounts payable to any Conduit Investor or Committed Note Purchaser shall be discharged to the extent funds are disbursed by the Co-Issuers to the related Funding Agent as provided herein whether or not such funds are properly applied by such Funding Agent.

## ARTICLE V

### THE ADMINISTRATIVE AGENT AND THE FUNDING AGENTS

Section 5.01      Authorization and Action of the Administrative Agent. Each of the Conduit Investors, the Committed Note Purchasers and the Funding Agents hereby designates and appoints Wells Fargo Bank, National Association as the Administrative Agent hereunder, and hereby authorizes the Administrative Agent to take such actions as agent on their behalf and to exercise such powers as are delegated to the Administrative Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto. The Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Conduit Investor, any Committed Note Purchaser or any Funding Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Administrative Agent shall be read into this Agreement or otherwise exist for the Administrative Agent. In performing its functions and duties hereunder, the Administrative Agent shall act solely as agent for the Conduit Investors, the Committed Note Purchasers and the Funding Agents and does not assume nor shall it be deemed to have assumed any obligation or relationship of trust or agency with or for the Co-Issuers or any of its successors or assigns. The Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of the Administrative Agent hereunder shall terminate upon the indefeasible payment in full of the Series 2007-2 Notes and all other amounts owed by the Co-Issuers hereunder to the Investor Groups (the “Aggregate Unpaids”).

Section 5.02      Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 5.03      Exculpatory Provisions. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be (a) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person’s own bad faith, gross negligence or willful misconduct), or (b) responsible in any manner to any Conduit Investor, any Committed Note Purchaser or any Funding Agent for any recitals, statements, representations or warranties made by the Co-Issuers contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement for the due execution, legality, value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Co-Issuers to perform its obligations hereunder, or for the satisfaction of any condition specified in Article VII. The Administrative Agent shall not be under any obligation to any Conduit Investor, any Committed Note Purchaser or any Funding Agent to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Co-Issuers. The Administrative Agent shall not be deemed to have knowledge of any Servicer Termination Event, Mandatory

Redemption Event relating to the Series 2007-2 Notes, Trigger Reserve Event relating to the Series 2007-2 Notes, Default or Event of Default unless the Administrative Agent has received notice from the Co-Issuers, any Conduit Investor, any Committed Note Purchaser or any Funding Agent.

Section 5.04        Reliance. The Administrative Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Co-Issuers), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of any Conduit Investor, any Committed Note Purchaser or any Funding Agent as it deems appropriate or it shall first be indemnified to its satisfaction by any Conduit Investor, any Committed Note Purchaser or any Funding Agent, provided that unless and until the Administrative Agent shall have received such advice, the Administrative Agent may take or refrain from taking any action, as the Administrative Agent shall deem advisable and in the best interests of the Conduit Investors, the Committed Note Purchasers and the Funding Agents. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Required Noteholders and such request and any action taken or failure to act pursuant thereto shall be binding upon the Conduit Investors, the Committed Note Purchasers and the Funding Agents.

Section 5.05        Non-Reliance on the Administrative Agent and Other Purchasers. Each of the Conduit Investors, the Committed Note Purchasers and the Funding Agents expressly acknowledge that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including, without limitation, any review of the affairs of the Co-Issuers, shall be deemed to constitute any representation or warranty by the Administrative Agent. Each of the Conduit Investors, the Committed Note Purchasers and the Funding Agents represent and warrant to the Administrative Agent that they have and will, independently and without reliance upon the Administrative Agent and based on such documents and information as they have deemed appropriate, made their own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Co-Issuers and made its own decision to enter into this Agreement.

Section 5.06        The Administrative Agent in its Individual Capacity. The Administrative Agent and any of its Affiliates may make loans to, accept deposits from, and generally engage in any kind of business with the Co-Issuers or any Affiliate of the Co-Issuers as though the Administrative Agent were not the Administrative Agent hereunder.

Section 5.07        Successor Administrative Agent. The Administrative Agent may, upon 30 days' notice to the Co-Issuers and each of the Conduit Investors, the Committed Note Purchasers and the Funding Agents, and the Administrative Agent will, upon the direction of Investor Groups holding more than 75% of the Series 2007-2 Principal Amount, resign as Administrative Agent. If the Administrative Agent shall resign, then the Investor Groups, during

such 30-day period, shall appoint an Affiliate of a member of the Investor Groups as a successor agent. If for any reason no successor Administrative Agent is appointed by the Investor Groups during such 30-day period, then effective upon the expiration of such 30-day period, the Co-Issuers shall make all payments in respect of the Aggregate Unpaid or under any fee letter delivered in connection herewith directly to the Funding Agents and for all purposes shall deal directly with the Funding Agents. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of *Section 9.05* and this *Article V* shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent under this Agreement.

Section 5.08      Authorization and Action of Funding Agents. Each Conduit Investor and each Committed Note Purchaser is hereby deemed to have designated and appointed the Funding Agent set forth next to such Conduit Investor's name, or if there is no Conduit Investor with respect to any Investor Group, the Committed Note Purchaser's name with respect to such Investor Group, on Schedule I hereto as the agent of such Person hereunder, and hereby authorizes such Funding Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to such Funding Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto. Each Funding Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with the related Investor Group, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of such Funding Agent shall be read into this Agreement or otherwise exist for such Funding Agent. In performing its functions and duties hereunder, each Funding Agent shall act solely as agent for the related Investor Group and does not assume nor shall it be deemed to have assumed any obligation or relationship of trust or agency with or for the Co-Issuers or any of its successors or assigns. Each Funding Agent shall not be required to take any action that exposes such Funding Agent to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of the Funding Agent hereunder shall terminate upon the indefeasible payment in full of the Aggregate Unpaid.

Section 5.09      Delegation of Duties. Each Funding Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each Funding Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 5.10      Exculpatory Provisions. Each Funding Agent and any of its directors, officers, agents or employees shall not be (a) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own bad faith, gross negligence or willful misconduct), or (b) responsible in any manner to the related Investor Group for any recitals, statements, representations or warranties made by the Co-Issuers contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Co-Issuers to perform its obligations hereunder, or for the satisfaction of any condition specified in *Article VII*. Each Funding Agent shall not be under any obligation to the related Investor Group to ascertain or to inquire as to the observance or performance of any of



the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Co-Issuers. Each Funding Agent shall not be deemed to have knowledge of any Servicer Termination Event, Mandatory Redemption Event relating to the Series 2007-2 Notes, Trigger Reserve Event relating to the Series 2007-2 Notes, Default or Event of Default unless such Funding Agent has received notice from the Co-Issuers or the related Investor Group.

Section 5.11      Reliance. Each Funding Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of the Administrative Agent and legal counsel (including, without limitation, counsel to the Co-Issuers), independent accountants and other experts selected by such Funding Agent. Each Funding Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of the related Investor Group as it deems appropriate or it shall first be indemnified to its satisfaction by the related Investor Group, provided that unless and until such Funding Agent shall have received such advice, such Funding Agent may take or refrain from taking any action, as such Funding Agent shall deem advisable and in the best interests of the related Investor Group. Each Funding Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the related Investor Group and such request and any action taken or failure to act pursuant thereto shall be binding upon the related Investor Group.

Section 5.12      Non-Reliance on the Funding Agent and Other Purchasers. The related Investor Group expressly acknowledges that its Funding Agent and any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has not made any representations or warranties to it and that no act by such Funding Agent hereafter taken, including, without limitation, any review of the affairs of the Co-Issuers, shall be deemed to constitute any representation or warranty by such Funding Agent. The related Investor Group represents and warrants to such Funding Agent that it has and will, independently and without reliance upon such Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Co-Issuers and made its own decision to enter into this Agreement.

Section 5.13      The Funding Agent in its Individual Capacity. Each Funding Agent and any of its Affiliates may make loans to, accept deposits from, and generally engage in any kind of business with the Co-Issuers or any Affiliate of the Co-Issuers as though such Funding Agent were not a Funding Agent hereunder.

Section 5.14      Successor Funding Agent. Each Funding Agent will, upon the direction of the related Investor Group, resign as such Funding Agent. If such Funding Agent shall resign, then the related Investor Group shall appoint an Affiliate of a member of the related Investor Group as a successor agent. If for any reason no successor Funding Agent is appointed by the related Investor Group, then effective upon the resignation of such Funding Agent, the Co-Issuers shall make all payments in respect of the Aggregate Unpaid due to such Investor Group or under any fee letter delivered in connection herewith directly to such Investor Group

and for all purposes shall deal directly with such Investor Group. After any retiring Funding Agent’s resignation hereunder as Funding Agent, subject to the limitations set forth herein, the provisions of *Section 9.05* and this *Article V* shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Funding Agent under this Agreement.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Section 6.01        The Co-Issuers. Each of the Co-Issuers represents and warrants to each Conduit Investor and each Committed Note Purchaser that each of its representations and warranties in the Base Indenture and the other Transaction Documents is true and correct and further represents and warrants to such parties that:

(a)            no Mandatory Redemption Event relating to the Series 2007-2 Notes, Servicer Termination Event, Event of Default or event which, with the giving of notice or the passage of time or both would constitute any of the foregoing, has occurred and is continuing;

(b)            assuming each Conduit Investor or other purchaser of the Series 2007-2 Notes hereunder is not purchasing with a view toward further distribution and there has been no general solicitation or general advertising within the meaning of the Securities Act, and further assuming that the representations and warranties of each Conduit Investor set forth in Section 6.03 of this Agreement are true and correct, the offer and sale of the Series 2007-2 Notes in the manner contemplated by this Agreement is a transaction exempt from the registration requirements of the Securities Act, and the Base Indenture is not required to be qualified under the Trust Indenture Act; and

(c)            the Administrative Agent has been furnished with true, accurate and complete copies of all other Transaction Documents (excluding Series Supplements and other Transaction Documents relating solely to a Series of Notes other than the Series 2007-2 Notes) to which it is a party as of the Series 2007-2 Closing Date, all of which Transaction Documents are in full force and effect as of the Series 2007-2 Closing Date and no terms of any such agreements or documents have been amended, modified or otherwise waived as of such date, other than such amendments, modifications or waivers about which each Funding Agent has been informed.

Section 6.02        Servicer. The Servicer represents and warrants to each Conduit Investor and each Committed Note Purchaser that:

(a)            each representation and warranty made by it in each Transaction Document (other than a Transaction Document relating solely to a Series of Notes other than the Series 2007-2 Notes) to which it is a party (including any representations and warranties made by it as Servicer) is true and correct in all material respects as of the date originally made, as of the date hereof and as of the Series 2007-2 Closing Date (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date);

(b) the audited combined balance sheets of IHOP Corp. and Affiliates as of December 31, 2006 and the related combined statements of income and shareholders' equity, reported on and accompanied by an unqualified report from Independent Accountant ("Financial Statements"), present fairly the financial condition of the IHOP Corp. and Affiliates as at such date, and the results of operations and shareholders' equity for the respective periods then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP (except as otherwise stated therein) applied consistently through the periods involved.

Section 6.03 Conduit Investors. Each of the Conduit Investors and each of the Committed Note Purchasers represents and warrants to the Co-Issuers and the Servicer, as of the date hereof (or as of a subsequent date on which a successor or assign of a Conduit Investor or a Committed Note Purchaser shall become a party hereto), that:

(a) it has had an opportunity to discuss the Co-Issuers' and the Servicer's business, management and financial affairs, and the terms and conditions of the proposed purchase, with the Co-Issuers and the Servicer and their respective representatives;

(b) it is an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of investing in, and is able and prepared to bear the economic risk of investing in, the Series 2007-2 Notes;

(c) it is purchasing the Series 2007-2 Notes for its own account, or for the account of one or more "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act that meet the criteria described in subsection (b) and for which it is acting with complete investment discretion, for investment purposes only and not with a view to distribution, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control;

(d) it understands that the Series 2007-2 Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and is being offered only in a transaction not involving any public offering within the meaning of the Securities Act and may not be resold or otherwise transferred unless so registered or qualified or unless an exemption from registration or qualification is available, that the Co-Issuers are not required to register the Series 2007-2 Notes, and that any transfer must comply with provisions of Article II of the Base Indenture;

(e) it understands that the Series 2007-2 Notes will bear the legend set out in the form of Series 2007-2 Notes attached as Exhibit A to the Series 2007-2 Series Supplement and be subject to the restrictions on transfer described in such legend;

(f) it will comply with all applicable federal and state securities laws in connection with any subsequent resale of the Series 2007-2 Notes;

(g) it understands that the Series 2007-2 Notes may be offered, resold, pledged or otherwise transferred only with the Co-Issuers' prior written consent, which consent shall not be unreasonably withheld, and only (A) to the Co-Issuers, (B) in a transaction meeting

the requirements of Rule 144A under the Securities Act, (C) outside the United States to a foreign person in a transaction meeting the requirements of Regulation S under the Securities Act, or (D) in a transaction complying with or exempt from the registration requirements of the Securities Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction; notwithstanding the foregoing, it is hereby understood and agreed by the Co-Issuers that the Series 2007-2 Notes will be pledged by each Conduit Investor pursuant to its related commercial paper program documents, and the Series 2007-2 Notes, or interests therein, may be sold, transferred or pledged to its related Committed Note Purchaser or any Program Support Provider or any affiliate of its related Committed Note Purchaser or any Program Support Provider or, any commercial paper conduit administered by its related Committed Note Purchaser or any Program Support Provider or any affiliate of its related Committed Note Purchaser or any Program Support Provider;

(h) if it desires to offer, sell or otherwise transfer, pledge or hypothecate the Series 2007-2 Notes as described in clause (B) or (D) of Section 6.03(g), and such sale, transfer or pledge does not fall within the “notwithstanding the foregoing” provision of Section 6.03(g), the transferee of the Series 2007-2 Notes will be required to deliver a certificate, containing, among other things, the representations required by Section 2.5(e)(ii) of the Base Indenture and that an exemption from the registration requirements of the Securities Act applies to such offer, sale, transfer or hypothecation. Upon original issuance thereof, and until such time as the same may no longer be required under the applicable requirements of the Securities Act, the certificate evidencing the Series 2007-2 Notes (and all securities issued in exchange therefor or substitution thereof) shall bear a legend substantially in the form set forth in the Series 2007-2 Notes included as an exhibit to the Series 2007-2 Series Supplement. Each Conduit Investor understands that the registrar and transfer agent for the Series 2007-2 Notes will not be required to accept for registration of transfer the Series 2007-2 Notes acquired by it, except upon presentation of an executed letter in the form required by the Series 2007-2 Series Supplement; and

(i) it will obtain from any purchaser of the Series 2007-2 Notes substantially the same representations and warranties contained in the foregoing paragraphs.

**ARTICLE VII**  
**CONDITIONS**

Section 7.01 Conditions to Issuance. Each Conduit Investor had no obligation to purchase the Series 2007-2 Notes hereunder on the Series 2007-2 Closing Date unless:

- (a) the Base Indenture and the Series 2007-2 Series Supplement shall be in full force and effect;
- (b) the Insurance Policy shall have been executed and delivered to the Indenture Trustee and shall be in full force and effect;
- (c) on the Series 2007-2 Closing Date, each Conduit Investor, or if there is no Conduit Investor with respect to any Investor Group, the Committed Note Purchaser with respect to such Investor Group, shall have received a letter, in form and substance reasonably

satisfactory to it, from each of Moody's and S&P stating that a long-term rating of "Aaa" (in the case of Moody's) and "AAA" (in the case of S&P) has been assigned to the Series 2007-2 Notes;

(d) at the time of such issuance, all conditions to the issuance of the Series 2007-2 Notes under the Series 2007-2 Series Supplement and under Article II and Article III of the Base Indenture shall have been satisfied or waived.

**Section 7.02 Conditions to Initial Borrowing.** The obligation of the Conduit Investors, or if there is no Conduit Investor with respect to any Investor Group, the Committed Note Purchaser with respect to such Investor Group, to fund the initial Borrowing hereunder shall be subject to the satisfaction of the conditions precedent that each Funding Agent shall have received a duly executed and authenticated Series 2007-2 Note registered in its name or in such other name as shall have been directed by the applicable Committed Note Purchaser and stating that the principal amount thereof shall not exceed the Maximum Investor Group Principal Amount of such Funding Agent's Investor Group and the Co-Issuers shall have paid all fees required to be paid by it on the Series 2007-2 Closing Date, including all fees required hereunder.

**Section 7.03 Conditions to Each Borrowing.** The election of each Conduit Investor to fund, and the obligation of each Committed Note Purchaser to fund, any Borrowing on any day (including the initial Borrowing) shall be subject to the conditions precedent that on the date of the Borrowing, before and after giving effect thereto and to the application of any proceeds therefrom, the following statements shall be true:

(a) (i) the representations and warranties of each of the Co-Issuers set out in this Agreement (with the exception of representations and warranties set forth in Section 6.01(b), which shall have been true and accurate in all respects on the Series 2007-2 Closing Date), (ii) the representations and warranties of the Servicer set out in this Agreement (with the exception of the representations and warranties set forth in Section 6.02(a), which shall have been true and accurate on the dates specified therein), and (iii) the representations and warranties of each of the Co-Issuers and the Servicer set out in the Base Indenture and the other Transaction Documents (other than Series Supplements and Transaction Documents relating solely to a Series of Notes other than the Series 2007-2 Notes) to which each is a party, in each such case, shall be true and accurate as of the date of the Borrowing with the same effect as though made on that date (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date);

(b) the Series 2007-2 Mandatory Redemption Period has not commenced;

(c) the related Funding Agent shall have received the most recent Monthly Noteholders' Statement for the Series 2007-2 Notes as delivered in accordance to Section 12.1(c) of the Base Indenture and an executed advance request in the form of Exhibit A hereto (each such request, an "Series 2007-2 Advance Request") certifying as to the current Aggregate Asset Amount, Series 2007-2 Enhancement Amount and Class B Enhancement Amount; and

(d) all conditions to such Borrowing specified in Section 2.02(a) of this Agreement shall have been satisfied.

The giving of any notice pursuant to Section 2.03 shall constitute a representation and warranty by the Co-Issuers and the Servicer that all conditions precedent to such Borrowing have been satisfied.

**ARTICLE VIII**  
**COVENANTS**

Section 8.01        Covenants. The Co-Issuers and the Servicer each severally covenants and agrees that, until the Series 2007-2 Notes have been paid in full and the Term has expired, it will:

- (a)        duly and timely perform all of its covenants (both affirmative and negative) and obligations under each Transaction Document to which it is a party;
  
- (b)        not, except as contemplated by the Indenture or other Transaction Documents (as applicable), amend, modify, waive or give any approval, consent or permission under, any provision of the Indenture or any other Transaction Document to which it is a party unless any such amendment, modification, waiver or other action is in writing and made in accordance with the terms of the Indenture or such other Transaction Documents, as applicable;
  
- (c)        at the same time any report, notice or other document is provided to the Rating Agencies, the Series Insurer and/or the Trustee, or caused to be provided, by the Co-Issuers or the Servicer under the Base Indenture, or under the Series 2007-2 Series Supplement or this Agreement, provide the Administrative Agent (who shall provide a copy thereof to the Committed Note Purchasers and the Conduit Investors) with a copy of such report, notice or other document; provided, however, that neither the Servicer nor the Co-Issuers shall have any obligation under this Section 8.01(c) to deliver to the Administrative Agent copies of any report, notice or other document, including any Monthly Noteholders’ Statements, which relate solely to one or more Series of Notes other than the Series 2007-2 Notes;
  
- (d)        at any time and from time to time, following reasonable prior notice from the Administrative Agent, and during regular business hours, permit such Administrative Agent or any Funding Agent, or its respective agents, representatives or permitted assigns, access to the offices of, the Servicer and the Co-Issuers, as applicable, to discuss the affairs, finances and accounts of each of the Securitization Entities with any of its officers, directors and other representatives to discuss the affairs, finances and accounts of each of the Securitization Entities with the Co-Issuers’ independent public accountants and to inspect the Series 2007-2 Collateral, all records related thereto (and to make extracts and copies thereof) on the same terms as are provided to the Indenture Trustee under Section 7.13 of the Base Indenture;
  
- (e)        not permit any part of the proceeds of any Series 2007-2 Advance to be (x) used to purchase or carry any Margin Stock or (y) loaned to others for the purpose of purchasing or carrying any Margin Stock;
  
- (f)        not permit any amounts owed with respect to the Series 2007-2 Notes will be secured, directly or indirectly, by any Margin Stock;

- (g) promptly provide such additional financial and other information with respect to the Transaction Documents (other than Series Supplements and Transaction Documents relating solely to Series of Notes other than the Series 2007-2 Notes) or the Co-Issuers as the Administrative Agent may from time to time reasonably request;
- (h) during a Mandatory Redemption Period relating to the Series 2007-2 Notes, use all amounts on deposit in the Series 2007-2 Trigger Reserve Account and Series 2007-2 Principal Payment Account to decrease the Series 2007-2 Principal Amount; and
- (i) deliver to each Funding Agent within 120 days after the end of each fiscal year of the Co-Issuers, the financial statements prepared pursuant to Section 12.1(f)(ii) of the Base Indenture.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.01      Amendments. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Servicer or the Co-Issuers, shall in any event be effective unless the same shall be in writing and signed by the Servicer, the Co-Issuers, the Administrative Agent, each Conduit Investor and each Committed Note Purchaser, and in the case of any material amendments, receipt of written confirmation from each rating agency then rating the Class A Commercial Paper that such amendment will not result in the reduction or withdrawal of the then current ratings in respect of the Class A Commercial Paper; provided, however, that, subject to any provision of the Base Indenture or the Series 2007-2 Series Supplement requiring the consent of each affected Noteholder or of a higher percentage of Noteholders, any amendment that does not adversely affect in any material respect the interests of the Conduit Investors or the Committed Note Purchasers shall only require (i) the consent of the Conduit Investors and Committed Note Purchasers holding more than 50% of the Series 2007-2 Notes and the Commitment, respectively, and (ii) receipt of written confirmation from each rating agency then rating the Class A Commercial Paper that such amendment will not result in the reduction or withdrawal of the then current ratings in respect of the Class A Commercial Paper.

Section 9.02      No Waiver; Remedies. Any waiver, consent or approval given by any party hereto shall be effective only in the specific instance and for the specific purpose for which given, and no waiver by a party of any breach or default under this Agreement shall be deemed a waiver of any other breach or default. No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder, or any abandonment or discontinuation of steps to enforce the right, power or privilege, preclude any other or further exercise thereof or the exercise of any other right. No notice to or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in the same, similar or other circumstances. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 9.03      Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the Co-Issuers, the Servicer, the Committed Note Purchasers, the Conduit Investors, the Administrative Agent and their respective successors and assigns; provided, however, that neither the Co-Issuers nor the Servicer may assign its rights or obligations hereunder or in connection herewith or any interest herein (voluntarily, by operation of law or otherwise) without the prior written consent of each Committed Note Purchaser and each Conduit Investor; provided, that nothing herein shall prevent the Co-Issuers from assigning its rights to the Indenture Trustee under the Base Indenture and the Series 2007-2 Series Supplement; provided, further, that none of the Conduit Investors or the Committed Note Purchasers may transfer, pledge, assign, sell participations in or otherwise encumber its rights or obligations hereunder or in connection herewith or any interest herein except as permitted under Section 6.03 (g), Section 9.17 and this Section 9.03. Nothing expressed herein is intended or shall be construed to give any Person other than the Persons referred to in the preceding sentence any legal or equitable right, remedy or claim under or in respect of this Agreement.

(a)      Notwithstanding any other provision set forth in this Agreement, each Conduit Investor, or if there is no Conduit Investor with respect to any Investor Group, the Committed Note Purchaser with respect to such Investor Group, may at any time grant to one or more Program Support Providers a participating interest in or lien on such Conduit Investor's, or if there is no Conduit Investor with respect to any Investor Group, the related Committed Note Purchaser's, interests in the Series 2007-2 Advances made hereunder and such Program Support Provider, with respect to its participating interest, shall be entitled to the benefits granted to such Conduit Investor or Committed Note Purchaser, as applicable, under this Agreement.

(b)      Each Conduit Investor may at any time assign its rights in the Series 2007-2 Notes (and its rights hereunder and under the Transaction Documents) to its related Committed Note Purchaser. Furthermore, each Conduit Investor may at any time grant a security interest in and lien on, all or any portion of its interests under this Agreement, its Series 2007-2 Note and all Transaction Documents to (i) its related Committed Note Purchaser, (ii) its Funding Agent, (iii) any Program Support Provider who, at any time now or in the future, provides program liquidity or credit enhancement, including without limitation, an insurance policy for such Conduit Investor relating to the Class A Commercial Paper or the Series 2007-2 Notes, (iv) any other Person who, at any time now or in the future, provides liquidity or credit enhancement for the Conduit Investors, including without limitation, an insurance policy relating to the Class A Commercial Paper or the Series 2007-2 Notes or (v) any collateral trustee or collateral agent for any of the foregoing; provided, however, any such security interest or lien shall be released upon assignment of its Series 2007-2 Note to its related Committed Note Purchaser and if such assignment is an assignment of all such Conduit Investor's rights in the Series 2007-2 Notes (and all its rights hereunder and under the Transaction Documents), such Conduit Investor, may, by notice to the Co-Issuers and the Administrative Agent, elect to cease to be a party to this Agreement. Each Committed Note Purchaser may assign its Commitment, or all or any portion of its interest under its Series 2007-2 Note, this Agreement and the Transaction Documents to any Person with the prior written consent of the Co-Issuers and the Administrative Agent, in each case such consent not to be unreasonably withheld. Notwithstanding any other provisions set forth in this Agreement, each Committed Note Purchaser may at any time create a security interest in all or any portion of its rights under this Agreement, its Series 2007-2 Note and the Transaction Documents in favor of any Federal Reserve Bank in accordance with



Regulation A of the Board of Governors of the Federal Reserve System or any similar foreign entity.

Section 9.04      Survival of Agreement. All covenants, agreements, representations and warranties made herein and in the Series 2007-2 Notes delivered pursuant hereto shall survive the making and the repayment of the Series 2007-2 Advances and the execution and delivery of this Agreement and the Series 2007-2 Notes and shall continue in full force and effect until all interest on and principal of the Series 2007-2 Notes and all other amounts owed to the Conduit Investors, the Committed Note Purchasers, the Funding Agents and the Administrative Agent hereunder and under the Series 2007-2 Series Supplement have been paid in full and the commitment of the Committed Note Purchasers hereunder has been terminated. In addition, the obligations of the Co-Issuers, the Committed Note Purchasers and the Conduit Investors under Sections 3.03, 3.04, 3.05, 3.06, 3.07, 3.08, 9.05, 9.10(b) and 9.11 shall survive the termination of this Agreement.

Section 9.05      Payment of Costs and Expenses; Indemnification.

(a)      Payment of Costs and Expenses. Each of the Co-Issuers agrees to pay on demand all reasonable expenses of the Administrative Agent, each Funding Agent, each Conduit Investor and each Committed Note Purchaser (including the reasonable fees and out-of-pocket expenses of counsel to each Conduit Investor and each Committed Note Purchaser, if any, as well as the fees and expenses of the Rating Agencies providing a rating in respect of any Class A Commercial Paper) in accordance with Article XI of the Base Indenture in connection with:

(i)      the negotiation, preparation, execution, delivery and administration of this Agreement and of each other Transaction Document, including schedules and exhibits, and any amendments, waivers, consents, supplements or other modifications to this Agreement or any other Transaction Document as may from time to time hereafter be proposed, whether or not the transactions contemplated hereby or thereby are consummated; and

(ii)     the consummation of the transactions contemplated by this Agreement and the other Transaction Documents.

Each of the Co-Issuers further agrees to pay, and to save the Administrative Agent, each Funding Agent, each Conduit Investor and each Committed Note Purchaser harmless from all liability for (i) all reasonable costs incurred by the Administrative Agent, such Funding Agent, such Conduit Investor or such Committed Note Purchaser in enforcing this Agreement and (ii) any stamp, documentary or other taxes which may be payable in connection with the execution or delivery of this Agreement, any Borrowing hereunder, or the issuance of the Series 2007-2 Notes or any other Transaction Documents. Each of the Co-Issuers also agrees to reimburse the Administrative Agent, such Funding Agent, each Conduit Investor and each Committed Note Purchaser upon demand for all reasonable out-of-pocket expenses incurred by the Administrative Agent, such Funding Agent, such Conduit Investor and such Committed Note Purchaser in connection with (x) the negotiation of any restructuring or “work-out,” whether or not consummated, of the Transaction Documents and (y) the enforcement of, or any waiver or

amendment requested under or with respect to, this Agreement or any other of the Transaction Documents.

Without limiting the foregoing, the Co-Issuers shall have no obligation to reimburse any Committed Note Purchaser and/or Conduit Investor for any of the fees and/or expenses incurred by such Committed Note Purchaser and/or Conduit Investor with respect to its sale or assignment of all or any part of its respective rights and obligations under this Agreement and the Series 2007-2 Notes pursuant to Section 9.17; provided, however, that the Co-Issuers shall reimburse each Committed Note Purchaser and/or Conduit Investor who purchased Series 2007-2 Notes on the Series 2007-2 Closing Date for its reasonable legal and administrative fees and expenses (excluding any fees and/or expenses payable to the Rating Agencies) that were incurred by such Committed Note Purchaser or Conduit Investor in connection with its assignment and/or sale of its rights under this Agreement and such Series 2007-2 Notes within 180 days of the closing of the sale and/or assignment.

(b) Indemnification. In consideration of the execution and delivery of this Agreement by the Conduit Investors and the Committed Note Purchasers, each of the Co-Issuers hereby indemnifies and holds each Conduit Investor and each Committed Note Purchaser and each of their officers, directors, employees and agents (collectively, the “Indemnified Parties”) harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities and damages, and reasonable expenses incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which indemnification hereunder is sought and including, without limitation, any liability in connection with the offering and sale of the Series 2007-2 Notes), including reasonable attorneys’ fees and disbursements (collectively, the “Indemnified Liabilities”), incurred by the Indemnified Parties or any of them (whether in prosecuting or defending against such actions, suits or claims) to the extent resulting from, or arising out of, or relating to

(i) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Series 2007-2 Advance; or

(ii) the entering into and performance of this Agreement and any other Transaction Document by any of the Indemnified Parties,

except for any such Indemnified Liabilities arising for the account of a particular Indemnified Party by reason of the relevant Indemnified Party’s bad faith, gross negligence or willful misconduct except for losses resulting from the performance of the Collateral. The indemnity set forth in this Section 9.05(b) shall in no event include indemnification for any taxes (which indemnification is provided in Section 3.08). The Co-Issuers shall give notice to the Rating Agencies of any claim for Indemnified Liabilities made under this Section 9.05(b).

(c) Indemnification of the Administrative Agent and each Funding Agent. (i) In consideration of the execution and delivery of this Agreement by the Administrative Agent and each Funding Agent, each of the Co-Issuers hereby indemnifies and holds the Administrative Agent and each Funding Agent and each of their officers, directors, employees and agents (collectively, the “Agent Indemnified Parties”) harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities and damages, and reasonable expenses incurred in

connection therewith (irrespective of whether any such Agent Indemnified Party is a party to the action for which indemnification hereunder is sought and including, without limitation, any liability in connection with the offering and sale of the Series 2007-2 Notes), including reasonable attorneys' fees and disbursements (collectively, the "Agent Indemnified Liabilities"), incurred by the Agent Indemnified Parties or any of them (whether in prosecuting or defending against such actions, suits or claims) to the extent resulting from, or arising out of, or relating to the entering into and performance of this Agreement and any other Transaction Document by any of the Agent Indemnified Parties, except for any such Agent Indemnified Liabilities arising for the account of a particular Agent Indemnified Party by reason of the relevant Agent Indemnified Party's bad faith, gross negligence or willful misconduct except for losses resulting from the performance of the Collateral. The indemnity set forth in this *Section 9.05(c)(i)* shall in no event include indemnification for any taxes (which indemnification is provided in *Section 3.08*). The Co-Issuers shall give notice to the Rating Agencies of any claim for Agent Indemnified Liabilities made under this subsection (i).

(ii) In consideration of the execution and delivery of this Agreement by the Administrative Agent, each Funding Agent and each Committed Note Purchaser, ratably according to its respective Commitment, hereby indemnifies and holds the Administrative Agent and each of its officers, directors, employees and agents (collectively, the "Administrative Agent Indemnified Parties") and each Funding Agent and each of its officers, directors, employees and agents (collectively, the "Funding Agent Indemnified Parties," and together with the Administrative Agent Indemnified Parties, the "Agent Indemnified Parties") harmless from and against any Agent Indemnified Liabilities incurred by the Agent Indemnified Parties or any of them (whether in prosecuting or defending against such actions, suits or claims) to the extent resulting from, or arising out of, or relating to the entering into and performance of this Agreement and any other Transaction Document by any of the Agent Indemnified Parties, except for any such Agent Indemnified Liabilities arising for the account of a particular Agent Indemnified Party by reason of the relevant Agent Indemnified Party's bad faith, gross negligence or willful misconduct. If and to the extent that the foregoing undertaking may be unenforceable for any reason, each Funding Agent and each Committed Note Purchaser hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Agent Indemnified Liabilities which is permissible under applicable law. The indemnity set forth in this *Section 9.05(c)(ii)* shall in no event include indemnification for any taxes (which indemnification is provided in *Section 3.08*). Each Committed Note Purchaser shall give notice to the Rating Agencies of any claim for Agent Indemnified Liabilities made under this subsection (ii).

*Section 9.06*      Characterization as Transaction Document; Entire Agreement. This Agreement shall be deemed to be a Transaction Document for all purposes of the Base Indenture and the other Transaction Documents. This Agreement, together with the Base Indenture, the Series 2007-2 Series Supplement, the documents delivered pursuant to *Section 7.01* and the other Transaction Documents, including the exhibits and schedules thereto, contains a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all previous oral statements and other writings with respect thereto.

Section 9.07      Notices. All notices, amendments, waivers, consents and other communications provided to any party hereto under this Agreement shall be in writing and addressed, delivered or transmitted to such party at its address or facsimile number set forth below its signature hereto or at such other address or facsimile number as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid or if properly addressed and sent by pre-paid courier service, shall be deemed given when received; any notice, if transmitted by facsimile, shall be deemed given when transmitted upon receipt of electronic confirmation of transmission.

Section 9.08      Severability of Provisions. Any covenant, provision, agreement or term of this Agreement that is prohibited or is held to be void or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

Section 9.09      Tax Characterization. Each party to this Agreement (a) acknowledges that it is the intent of the parties to this Agreement that, for accounting purposes and for all Federal, state and local income and franchise tax purposes, the Series 2007-2 Notes will be treated as evidence of indebtedness, (b) agrees to treat the Series 2007-2 Notes for all such purposes as indebtedness and (c) agrees that the provisions of the Transaction Documents shall be construed to further these intentions.

Section 9.10      No Proceedings; Limited Recourse. (a) The Co-Issuers. Each of the parties hereto (other than the Co-Issuers) hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of any Notes issued by the Co-Issuers pursuant to the Base Indenture or the Series 2007-2 Series Supplement, it will not institute against, or join with any other Person in instituting against, the Issuer or the Co-Issuer, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any Federal or state bankruptcy or similar law, all as more particularly set forth in Section 15.7 of the Base Indenture and subject to any retained rights set forth therein; provided, however, that nothing in this Section 9.10(a) shall constitute a waiver of any right to indemnification, reimbursement or other payment from the Co-Issuers pursuant to this Agreement, the Series 2007-2 Series Supplement or the Base Indenture. The provisions of this Section 9.10(a) shall survive the termination of this Agreement. Nothing contained herein shall preclude participation by a Committed Note Purchaser or a Conduit Investor in assertion or defense of its claims in any such proceeding involving the Issuer or the Co-issuer. The obligations of the Co-Issuers under this Agreement are solely the limited liability company obligations of the Co-Issuers limited to the Collateral. In addition, each of the parties hereto agrees that all fees, expenses and other costs payable hereunder by the Co-Issuers shall be payable only to the extent set forth in Article XI of the Base Indenture and that all other amounts owed to them by the Co-Issuers shall be payable solely from amounts that become available for payment pursuant to the Base Indenture and the Series 2007-2 Series Supplement. No recourse shall be had for the payment of any amount owing in respect of this Agreement, including any obligation or claim arising out of or based upon this Agreement, against any stockholder, employee, officer, agent, director, member, affiliate or incorporator of any Conduit Investor; provided, however, nothing in this Section 9.10(b) shall relieve any of the foregoing Persons from any liability which any such Person may otherwise have for its bad faith, gross negligence or willful misconduct.

(b) The Conduit Investors. Each of the parties hereto (other than the Conduit Investors) hereby covenants and agrees that it will not, prior to the date which is one year and one day after the payment in full of the latest maturing Class A Commercial Paper or other debt securities or instruments issued by a Conduit Investor, institute against, or join with any other Person in instituting against, such Conduit Investor, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any Federal or state bankruptcy or similar law, subject to any retained rights set forth therein; provided, however, that nothing in this Section 9.10(b) shall constitute a waiver of any right to indemnification, reimbursement or other payment from such Conduit Investor pursuant to this Agreement, the Series 2007-2 Series Supplement or the Base Indenture. In the event that the Co-Issuers, the Servicer, a Committed Note Purchaser (solely in its capacity as such) or the Servicer takes action in violation of this Section 9.10(b), such related Conduit Investor may file an answer with the bankruptcy court or otherwise properly contest the filing of such a petition by any such Person against such Conduit Investor or the commencement of such action and raise the defense that such Person has agreed in writing not to take such action and should be estopped and precluded therefrom and such other defenses, if any, as its counsel advises that it may assert. The provisions of this Section 9.10(b) shall survive the termination of this Agreement. Nothing contained herein shall preclude participation by the Co-Issuers, the Servicer or a Committed Note Purchaser in assertion or defense of its claims in any such proceeding involving a Conduit Investor. The obligations of the Conduit Investors under this Agreement are solely the corporate obligations of the Conduit Investors.

Notwithstanding any provisions contained in this Agreement to the contrary, the Conduit Investors shall not, and shall not be obligated to, fund or pay any amount pursuant to this Agreement or the Series 2007-2 Notes unless (i) the respective Conduit Investor has received funds which may be used to make such funding or other payment and which funds are not required under the Conduit Investor's program documentation to repay any of the rated commercial paper notes ("CP Notes") issued by such Conduit Investor when due and (ii) after giving effect to such funding or payment, either (x) such Conduit Investor could issue CP Notes to refinance all of its outstanding CP Notes (assuming such outstanding CP Notes matured at such time) in accordance with the program documents governing its commercial paper program or (y) all of the CP Notes are paid in full. Any amount which a Conduit Investor does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in Section 101 of the Bankruptcy Code) against or obligation of such Conduit Investor for any such insufficiency.

Section 9.11 Confidentiality. Each Committed Note Purchaser and each Conduit Investor agrees that it shall not disclose any Confidential Information to any Person without the prior written consent of the Servicer and the Co-Issuers, other than (a) to their Affiliates and their officers, directors, employees, agents and advisors (including, without limitation, legal counsel and accountants) and to actual or prospective assignees and participants, and then only on a confidential basis, (b) as requested by a governmental authority or self-regulatory organization or required by any law, rule or regulation or judicial process of which the Co-Issuers or the Servicer, as the case may be, has knowledge; provided that each Committed Note Purchaser and each Conduit Investor may disclose Confidential Information as requested by a governmental authority or self-regulatory organization or required by any law, rule or regulation or judicial process of which the Co-Issuers or the Servicer, as the case may be,

does not have knowledge if such Committed Note Purchaser or such Conduit Investor is prohibited by law, rule or regulation from disclosing such requirement to the Co-Issuers or the Servicer, as the case may be, (c) to Program Support Providers, (d) to any Rating Agency providing a rating for the Series 2007-2 Notes or the Conduit’s debt or (e) in the course of litigation with the Co-Issuers, the Servicer or the Series Insurer, such Committed Note Purchaser or such Conduit Investor.

“Confidential Information” means information that the Co-Issuers or the Servicer furnishes to a Committed Note Purchaser or a Conduit Investor, but does not include (i) any such information that is or becomes generally available to the public other than as a result of a disclosure by a Committed Note Purchaser or a Conduit Investor or other Person to which a Committed Note Purchaser or a Conduit Investor delivered such information, (ii) any such information that was in the possession of a Committed Note Purchaser or a Conduit Investor prior to its being furnished to such Committed Note Purchaser or a Conduit Investor by the Co-Issuers or the Servicer, or (iii) that is or becomes available to a Committed Note Purchaser or a Conduit Investor from a source other than the Co-Issuers or the Servicer, provided that, with respect to clauses (ii) and (iii) herein, such source is not (1) known to a Committed Note Purchaser or a Conduit Investor to be bound by a confidentiality agreement with the Co-Issuers, the Servicer or the Series Insurer, as the case may be, or (2) known to a Committed Note Purchaser or a Conduit Investor to be otherwise prohibited from transmitting the information by a contractual, legal or fiduciary obligation.

Section 9.12        Governing Law. **THIS SERIES 2007-2 NOTE PURCHASE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

Section 9.13        Submission to Jurisdiction. Each of the parties hereto irrevocably submit to the nonexclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan in The City of New York in any action or proceeding arising out of or relating to the Notes or this Indenture, and the Issuer, Co-Issuer and Indenture Trustee hereby, and each Series Insurer by its execution of a Series Supplement irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such New York State or federal court. The Issuer, Co-Issuer and Indenture Trustee hereby, and each Series Insurer by each Series Insurer by its execution of a Series Supplement irrevocably waive, to the fullest extent that they may legally do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Issuer and Co-Issuer each irrevocably consents to the service of any and all process in any action or proceeding by the mailing or delivery of copies of such process to it at the office of its Delaware registered agent. The Issuer, Co-Issuer, Indenture Trustee and each Series Insurer agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 9.14        Waiver of Jury Trial. **EACH OF THE PARTIES HEREUNDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS THEY THAT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS SERIES 2007-2 NOTE PURCHASE AGREEMENT.**

**EACH OF THE PARTIES ACKNOWLEDGES AND AGREES THAT THAT IT HAS RECEIVED FULL AND SIGNIFICANT CONSIDERATION FOR THIS PROVISION AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR ALL PARTIES TO ENTER INTO THIS SERIES 2007-2 NOTE PURCHASE AGREEMENT.**

Section 9.15      Counterparts. This Agreement may be executed in any number of counterparts (which may include facsimile) and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

Section 9.16      Third Party Beneficiary. Each of the Series Insurer and each Hedge Counterparty (as defined in the Base Indenture) is an express third-party beneficiary of this Agreement.

Section 9.17      Assignment. (a) Any Committed Note Purchaser may at any time sell all or any part of its rights and obligations under this Agreement and the Series 2007-2 Notes, with the prior written consent of the Co-Issuers, which consent shall not be unreasonably withheld, to one or more financial institutions (an “Acquiring Committed Note Purchaser”) pursuant to an assignment and assumption agreement, substantially in the form of Exhibit B (the “Assignment and Assumption Agreement”), executed by such Acquiring Committed Note Purchaser, such assigning Committed Note Purchaser, the Funding Agent with respect to such Committed Note Purchaser and the Co-Issuers and delivered to the Administrative Agent.

(b)      Without limiting the foregoing, each Conduit Investor may assign all or a portion of the Investor Group Principal Amount with respect to such Conduit Investor and its rights and obligations under this Agreement and any other Transaction Documents to which it is a party to a Conduit Assignee with respect to such Conduit Investor, with the prior written consent of the Co-Issuers, which consent shall not be unreasonably withheld. Upon such assignment by a Conduit Investor to a Conduit Assignee, (i) such Conduit Assignee shall be the owner of the Investor Group Principal Amount or such portion thereof with respect to such Conduit Investor, (ii) the related administrative or managing agent for such Conduit Assignee will act as the Funding Agent for such Conduit Assignee hereunder, with all corresponding rights and powers, express or implied, granted to the Funding Agent hereunder or under the other Transaction Documents, (iii) such Conduit Assignee and its liquidity support provider(s) and credit support provider(s) and other related parties, in each case relating to the Class A Commercial Paper and/or the Series 2007-2 Notes, shall have the benefit of all the rights and protections provided to such Conduit Investor herein and in the other Transaction Documents (including, without limitation, any limitation on recourse against such Conduit Assignee as provided in this paragraph), (iv) such Conduit Assignee shall assume all of such Conduit Investor’s obligations, if any, hereunder or under the Base Indenture or under any other Transaction Document with respect to such portion of the Investor Group Principal Amount and such Conduit Investor shall be released from such obligations, (v) all distributions in respect of the Investor Group Principal Amount or such portion thereof with respect to such Conduit Investor shall be made to the applicable Funding Agent on behalf of such Conduit Assignee, (vi) the definition of the term “CP Rate” with respect to the portion of the Investor Group Principal Amount with respect to such Conduit Investor, as applicable funded with commercial paper issued by such Conduit Assignee from time to time shall be determined in the manner set

forth in the definition of “CP Rate” applicable to such Conduit Assignee on the basis of the interest rate or discount applicable to commercial paper issued by such Conduit Assignee (rather than any other Conduit Investor), (vii) the defined terms and other terms and provisions of this Agreement and the other Transaction Documents shall be interpreted in accordance with the foregoing, and (viii) if requested by the Funding Agent with respect to such Conduit Assignee, the parties will execute and deliver such further agreements and documents and take such other actions as the Funding Agent may reasonably request to evidence and give effect to the foregoing. No assignment by any Conduit Investor to a Conduit Assignee of all or any portion of the Investor Group Principal Amount with respect to such Conduit Investor shall in any way diminish the obligation of the Committed Note Purchasers in the same Investor Group as such Conduit Investor under *Section 2.03* to fund any Increase not funded by such Conduit Investor or such Conduit Assignee.

(c) Any Conduit Investor and the Committed Note Purchaser with respect to such Conduit Investor may at any time sell all or any part of their respective rights and obligations under this Agreement and the Series 2007-2 Notes, with the prior written consent of the Co-Issuers, which consent shall not be unreasonably withheld, to a multi-seller commercial paper conduit, whose commercial paper has the following ratings (x) at least “A-1” from Standard & Poor’s, and (y) ”P1” from Moody’s, and one or more financial institutions providing support to such multi-seller commercial paper conduit (an “Acquiring Investor Group”) pursuant to a transfer supplement, substantially in the form of Exhibit C (the “Investor Group Supplement”), executed by such Acquiring Investor Group, the Funding Agent with respect to such Acquiring Investor Group (including the Conduit Investor and the Committed Note Purchasers with respect to such Investor Group), such assigning Conduit Investor and the Committed Note Purchasers with respect to such Conduit Investor, the Funding Agent with respect to such assigning Conduit Investor and Committed Note Purchasers and the Co-Issuers and delivered to the Administrative Agent.

[Remainder of Page Intentionally Blank]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers and delivered as of the day and year first above written.

IHOP FRANCHISING, LLC

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

Address: 450 North Brand Boulevard  
Glendale, California 91203  
  
Attention: Rob Dickson  
Telephone: 818-637-3036  
Facsimile: 818-637-3120

IHOP IP, LLC

By: /s/ THOMAS G. CONFORTI  
Name: Thomas G. Conforti  
Title: Vice President

Address: 450 North Brand Boulevard  
Glendale, California 91203  
  
Attention: Rob Dickson  
Telephone: 818-637-3036  
Facsimile: 818-637-3120

INTERNATIONAL HOUSE OF PANCAKES, INC., as Servicer

By: /s/ MARK D. WEISBERGER  
Name: Mark D. Weisberger  
Title: Vice President

Address: 450 North Brand Boulevard  
Glendale, California 91203

Attention: Rob Dickson  
Telephone: 818-637-3036  
Facsimile: 818-637-3120

[SERIES 2007-2 NOTE PURCHASE AGREEMENT]

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WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture  
Trustee

By: /s/ BENJAMIN J. KRUEGER  
Name: Benjamin J. Krueger  
Title: Vice President

Address: Sixth Street and Marquette  
Avenue, MAC N9311-161  
Minneapolis, MN 55479

Attention: Corporate Trust Services/Asset Backed Administration  
Telephone: 612-667-8058  
Facsimile: 612-667-3464

[SERIES 2007-2 NOTE PURCHASE AGREEMENT]

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WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: /s/ BENJAMIN J. KRUEGER  
Name: Benjamin J. Krueger  
Title: Vice President

Address: Sixth Street and Marquette Avenue, MAC N9311-161  
Minneapolis, MN 55479

Attention: Corporate Trust Services/Asset Backed Administration  
Telephone: 612-667-8058  
Facsimile: 612-667-3464

[SERIES 2007-2 NOTE PURCHASE AGREEMENT]

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Goldman, Sachs & Co., as Committed Note Purchaser

By: /s/ CURTIS PROBST  
Name: Curtis Probst  
Title: Managing Director

Address: 85 Broad Street (27th Floor)  
New York, New York 10004

Attention: Curtis Probst  
Telephone: 212-902-6595  
Facsimile: 212-902-4024

COMMITMENT AMOUNT: \$25,000,000

[SERIES 2007-2 NOTE PURCHASE AGREEMENT]

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Goldman, Sachs & Co., as a Funding Agent

By: /s/ CURTIS PROBST  
Name: Curtis Probst  
Title: Managing Director

Address: 85 Broad Street (27th Floor)  
New York, New York 10004

Attention: Curtis Probst  
Telephone: 212-902-6595  
Facsimile: 212-902-4024

[SERIES 2007-2 NOTE PURCHASE AGREEMENT]

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LIST OF CONDUIT INVESTORS AND  
COMMITTED NOTE PURCHASERS

Goldman, Sachs & Co., as a Committed Note Purchaser  
Committed Note Purchaser Commitment Percentage: 100%

Maximum Investor Group Principal Amount: \$25,000,000

Goldman, Sachs & Co., as a Funding Agent for itself.

Schedule I-1

[SERIES 2007-2 NOTE PURCHASE AGREEMENT]



IHOP CORP. AND SUBSIDIARIES  
STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended March 31,	
	2007	2006
NET INCOME PER COMMON SHARE BASIC		
Weighted average shares outstanding	17,842	18,421
Net income available to common stockholders	\$ 11,313	\$ 12,594
Net income per share—basic	\$ 0.63	\$ 0.68
NET INCOME PER COMMON SHARE DILUTED		
Weighted average shares outstanding	17,842	18,421
Net effect of dilutive stock options based on the treasury stock method using the average market price	204	229
Total	18,046	18,650
Net income available to common stockholders	\$ 11,313	\$ 12,594
Net income per share—diluted	\$ 0.63	\$ 0.68





**Certification Pursuant to  
Rule 13a-14(a) of the  
Securities Exchange Act of 1934, As Amended**

I, Julia A. Stewart, Chairman and Chief Executive Officer of IHOP Corp., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of IHOP Corp.;
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;
  - (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 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 9, 2007

/s/ JULIA A. STEWART  
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Julia A. Stewart  
*Chairman and Chief Executive Officer*

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**Certification Pursuant to  
Rule 13a-14(a) of the  
Securities Exchange Act of 1934, As Amended**

I, Thomas Conforti, Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of IHOP Corp.;
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;
  - (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 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 9, 2007

/s/ THOMAS CONFORTI

Thomas Conforti

Chief Financial Officer (Principal Financial Officer)

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**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 on Form 10-Q of IHOP Corp. (the “Company”) for the quarter ended March 31, 2007, as filed with the Securities and Exchange Commission on May 9, 2007, (the “Report”), Julia A. Stewart, as President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of her knowledge, that,:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2007

/s/ JULIA A. STEWART

Julia A. Stewart

*Chairman and Chief Executive Officer*

This certification accompanies this Quarterly Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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**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 on Form 10-Q of IHOP Corp. (the “Company”) for the quarter ended March 31, 2007, as filed with the Securities and Exchange Commission on May 9, 2007, (the “Report”), Thomas Conforti, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that,:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2007

/s/ THOMAS CONFORTI  
Thomas Conforti  
*Chief Financial Officer (Principal Financial Officer)*

This certification accompanies this Quarterly Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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